

October 27, 2010

Honorable James M. Peck
One Bowling Green
Courtroom 601
New York, NY 10004

**RE: United States Bankruptcy Court Southern District of New York
In re Lehman Brothers Holdings Inc., et al., Debtors
Chapter 11 Case No. 08-13555 (JMP) (Jointly Administered)**

**Notice of Hearing on Debtors' Fifty-Eighth Omnibus Objection to
Claims (No Supporting Documentation Claims)**

Lehmann Brothers Holdings Claim Number 12270 for Carol Braunwarth

Honorable James M. Peck,

In response to the recent "Notice of Hearing on Debtors' Fifty-Eighth Omnibus Objection to Claims (No Supporting Documentation Claims)", I would like to submit the supporting documentation for the purchase of 400 shares of Lehman Capital Trust IV on June 20, 2008 and request my claim to be allowed and the objection to be overturned.

Enclosed are the following supporting documents:

- Trade Confirmation for 06/20/2008 Purchase
- December 2008 Client Statement
- September 2009 Client Statement
- September 2010 Client Statement

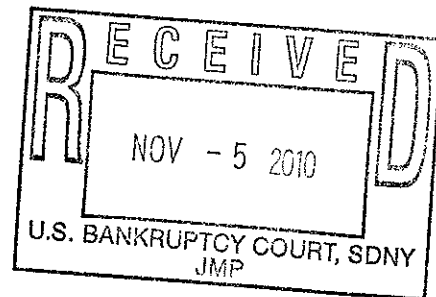
Please direct any replies to my response as follows:


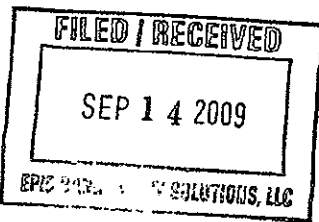
Carol Braunwarth
16769 Baywood Terrace
Eden Prairie, MN 55346
Home Phone 952-937-2389
E-Mail cbraunwa@aol.com

Sincerely,

Carol Braunwarth
Carol Braunwarth

Encl



United States Bankruptcy Court/Southern District of New York Lehman Brothers Holdings Claims Processing Center c/o Epiq Bankruptcy Solutions, LLC FDR Station, P.O. Box 5076 New York, NY 10150-5076		PROOF OF CLAIM	
In Re: Lehman Brothers Holdings Inc., et al. Debtors.	Chapter 11 Case No. 08-13555 (JMP) (Jointly Administered)	Filed: USBC - Southern District of New York Lehman Brothers Holdings Inc., Et Al. 08-13555 (JMP) 0000012270	
Name of Debtor Against Which Claim is Held	Case No. of Debtor		
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503. Additionally, this form should not be used to make a claim for Lehman Programs Securities (See definition on reverse side.)			
Name and address of Creditor: (and name and address where notices should be sent if different from Creditor) CAROL BRAUNWARTH 16769 BAYWOOD TERRACE EDEN PRairie, MN 55346		<input checked="" type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim. Court Claim Number: <u>12270</u> (If known) Filed on: <u>9/14/2009</u>	
Telephone number: _____ Email Address: _____		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.	
Name and address where payment should be sent (if different from above) cbraunwarth@aol.com			
Telephone number: <u>952-937-2389</u> Email Address: _____			
1. Amount of Claim as of Date Case Filed: \$ <u>10,000.00</u> If all or part of your claim is secured, complete Item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete Item 5. If all or part of your claim qualifies as an Administrative Expense under 11 U.S.C. § 503(b)(9), complete Item 6. <input type="checkbox"/> Check this box if all or part of your claim is based on a Derivative Contract.* <input type="checkbox"/> Check this box if all or part of your claim is based on a Guarantee.* *IF YOUR CLAIM IS BASED ON AMOUNTS OWED PURSUANT TO EITHER A DERIVATIVE CONTRACT OR A GUARANTEE OF A DEBTOR, YOU MUST ALSO LOG ON TO http://www.lehman-claims.com AND FOLLOW THE DIRECTIONS TO COMPLETE THE APPLICABLE QUESTIONNAIRE AND UPLOAD SUPPORTING DOCUMENTATION OR YOUR CLAIM WILL BE DISALLOWED. <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of interest or additional charges. Attach itemized statement of interest or charges to this form or on http://www.lehman-claims.com if claim is based on a Derivative Contract or Guarantee.		5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. Specify the priority of the claim: <input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). <input type="checkbox"/> Wages, salaries or commissions (up to \$10,950), earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4). <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5). <input type="checkbox"/> Up to \$2,425 of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8). <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(____). Amount entitled to priority: \$ _____	
2. Basis for Claim: <u>MONEY LOANED</u> (See instruction #2 on reverse side.)			
3. Last four digits of any number by which creditor identifies debtor: _____ 3a. Debtor may have scheduled account as: _____ (See instruction #3a on reverse side.)			
4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: _____ Value of Property: \$ _____ Annual Interest Rate _____ % Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____			
6. Amount of Claim that qualifies as an Administrative Expense under 11 U.S.C. § 503(b)(9): \$ _____ (See instruction #6 on reverse side.)			
7. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim. 8. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages and security agreements. Attach redacted copies of documents providing evidence of perfection of a security interest. (See definition of "redacted" on reverse side.) If the documents are voluminous, attach a summary. DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain: _____		FOR COURT USE ONLY  SEP 14 2009 EPIQ BKR. SOLUTIONS, LLC	
Date: _____	Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. <u>Carol Braunwarth</u> Carol Braunwarth		
Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.			

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, there may be exceptions to these general rules.

Items to be completed in Proof of Claim form

Name of Debtor, and Case Number:

YOU MUST INDICATE THE SPECIFIC DEBTOR AGAINST WHICH YOUR CLAIM IS ASSERTED, INCLUDING THE NAME OF THE DEBTOR AND THE RELATED CASE NUMBER (DEBTORS AND CASE NUMBERS LISTED BELOW). IN THE SPACE ALLOTTED AT THE TOP OF THE CLAIM FORM.

08-13555	Lehman Brothers Holdings Inc.	08-13905	CES Aviation LLC
08-13600	LB 745 LLC	08-13906	CES Aviation V LLC
08-13885	Lehman Brothers Commodity Services Inc.	08-13907	CES Aviation IX LLC
08-13888	Lehman Brothers Special Financing Inc.	08-13908	East Dover Limited
08-13893	Lehman Brothers OTC Derivatives Inc.	09-10108	Luxembourg Residential Properties Loan Finance S.a.r.l.
08-13899	Lehman Brothers Derivative Products Inc.	09-10137	BNC Mortgage LLC
08-13900	Lehman Commercial Paper Inc.	09-10558	Structured Asset Securities Corporation
08-13901	Lehman Brothers Commercial Corporation	09-10560	LB Rose Ranch LLC
08-13902	Lehman Brothers Financial Products Inc.	09-12516	LB 2080 Kalakaua Owners LLC
08-13904	Lehman Scottish Finance J.P.	08-13664	PAMI Statler Arms LLC

If your Claim is against multiple Debtors, complete a separate form for each Debtor.

Creditor's Name and Address:

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:

State the total amount owed to the creditor on the date of the Bankruptcy filing. Follow the instructions concerning whether to complete items 4, 5 and 6. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:

Use this space to report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

4. Secured Claim:

Check the appropriate box and provide the requested information if the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See DEFINITIONS, below.) State the type and the value of property that secures the claim, attach copies of lien documentation, and state annual interest rate and the amount past due on the claim as of the date of the bankruptcy filing.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. §507(a).

If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS, below.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Amount of Claim that qualifies as an Administrative Expense under 11 U.S.C. §503(b)(9)

State the value of any goods received by the debtor within 20 days before the date of commencement in which the goods have been sold to the debtor in the ordinary course of the debtor's business.

7. Credits:

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

8. Documents:

Attach to this proof of claim form redacted copies documenting the existence of the debt and of any lien securing the debt. You may also attach a summary. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary. FRBP 3001(c) and (d). Do not send original documents, as attachments may be destroyed after scanning.

Date and Signature:

The person filing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2), authorizes courts to establish local rules specifying what constitutes a signature. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. Attach a complete copy of any power of attorney. Criminal penalties apply for making a false statement on a proof of claim.

DEFINITIONS

Debtor

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

Creditor

A creditor is the person, corporation, or other entity owed a debt by the debtor on the date of the bankruptcy filing.

Claim

A claim is the creditor's right to receive payment on a debt that was owed by the debtor on the date of the bankruptcy filing. See 11 U.S.C. §101(5). A claim may be secured or unsecured.

Proof of Claim

A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form with the Claims Agent at the following address:

Lehman Brothers Holdings Claims Processing
c/o Epix Bankruptcy Solutions, LLC
FDR Station, PO Box 5076
New York, NY 10150-5076

Secured Claim Under 11 U.S.C. §506(a)

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car. A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

Unsecured Claim

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

Claim Entitled to Priority Under 11 U.S.C. §507(a)

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

Redacted

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor should redact and use only the last four digits of any social-security, individual's tax identification, or financial-account number, all but the initials of a minor's name and only the year of any person's date of birth.

Evidence of Perfection

Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

Derivative Contract

A contract that is any of (i) a "swap agreement" as such term is defined in section 101(53B) of the Bankruptcy Code or (ii) a "forward contract" as such term is defined in section 101(25) of the Bankruptcy Code. A cash-market purchase or sale of a security or loan (i.e. any purchase or sale of a security or loan for settlement within the standard settlement cycle for the relevant market), exchange-traded future or option, securities loan transaction, repurchase agreement in respect of securities or loans, and any guarantee or reimbursement obligations which would otherwise be included in the definition of such terms in the Bankruptcy Code shall not be considered a Derivative Contract for the purposes of this definition nor shall any notes, bonds, or other securities issued by the Debtors or their affiliates (including, but not limited to, Lehman Brothers Holdings Inc., Lehman Brothers Treasury Co. B.V., Lehman Brothers Bankhaus AG, Lehman Brothers Holdings plc, Lehman Brothers Securities N.V., and Lehman Brothers (Luxembourg) Equity Finance S.A.).

Guarantee

A promise, representation or agreement to answer for the payment of some debt or the performance of some duty in case of the failure of another person or entity who is liable in the first instance.

Lehman Programs Securities

Lehman Programs Securities means those securities included on the Lehman Programs Securities list available on <http://www.lehman-docket.com> as of July 27, 2009.

INFORMATION

Acknowledgment of Filing of Claim

To receive acknowledgment of your filing, you may either enclose a stamped self-addressed envelope and a copy of this proof of claim, or you may access the Claims Agent's system (<http://www.lehman-docket.com>) to view your filed proof of claim.

Offers to Purchase a Claim

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 et seq.), and any applicable orders of the bankruptcy court.

Morgan Stanley

*This transaction is confirmed in accordance
with the explanations and conditions
stated on the reverse side.*

Your Account Number: 319-059443-0-301

Cash Account
IRA Standard
Dated 08/20/01

CAROL BRAUNWARTH
16769 BAYWOOD TERRACE
EDEN PRAIRIE, MN 55346-2423

Your Financial Advisor
MARK L. JOHNSON
294 EAST GROVE LANE, SUITE 220
WAYZATA, MN 55391
(952) 475-4100

You Bought
Trade Date 06/20/08 for Settlement on 06/25/08

Quantity	400	Price	17.437	Settlement Amount
<p><i>Description:</i> LEHMAN CAPITAL TRUST IV MATURES 10/31/2052 COUPON 6.375% FIXED COUPON PAYABLE QUARTERLY ON FEB, MAY, AUG, NOV 2nd ISSUE DATE 10/31/2003 FIRST COUPON DATE 02/02/2004 YIELD TO MATURITY 9.341% NEXT CALL DATE: 10-31-08 NEXT CALL PRICE: 25.000 CALLABLE AT ANY TIME FROM 10-31-08 TO 10-31-52. MORGAN STANLEY ACTED AS PRINCIPAL. EXECUTED OVER THE COUNTER. A PORTION OF THE PRINCIPAL AMOUNT SHOWN REPRESENTS ACCRUED INTEREST. THIS INFORMATION IS PROVIDED TO ASSIST YOU IN TAX PREPARATION. ACCRUED INTEREST MAY BE USED TO ADJUST YOUR COST BASIS. PLEASE CONSULT YOUR TAX ADVISOR. THIS DEBT SECURITY MAY BE REDEEMED/ACCELERATED IN WHOLE OR PART BEFORE MATURITY. THIS REDEMPTION/ACCELERATION COULD AFFECT THE YIELD REPRESENTED; ADDITIONAL INFORMATION IS AVAILABLE UPON REQUEST. ADDITIONAL CALL FEATURES EXIST</p>				<p>Principal \$6,974.80 Processing Fee 5.25 Net Amount <u>\$6,980.05</u></p>
<p>Investment and services are offered through Morgan Stanley & Co. Incorporated, member SIPC</p>				<p>Security No. 52520B206 Symbol LEH.L</p>

CODES, ABBREVIATIONS AND EXPLANATIONS		CONDITIONS
<p>EXCHANGE WHERE EXECUTED</p> <p>1 New York Stock Exchange 2 Pacific Stock Exchange 3 Philadelphia Stock Exchange 4 Chicago Stock Exchange 5 American Stock Exchange 6 Other Markets 7 Over the Counter 8 Morgan Stanley as principal which may result in a profit to Morgan Stanley.</p> <p>EXECUTION CODE</p> <p>1, 2, 3, 4, 5, 9, F, L, P, T, V OR W: As agent we have bought or sold for your account 6: As agent for another we have sold to you or bought from you 7, C, E, G, N, OR S: As principal we sold to you or bought from you for our own account 8 OR U: Prospectus/Official Statement A, B, C, X, Y, OR Z: Primary and Secondary Unit Trust or listed and OTC when issued K: Precious Metals M, R: Mutual Funds</p> <p>COMBINED EXCHANGE AND EXECUTION CODES FOR OPTIONS ONLY:</p> <p>ALL TRADES DONE AS AGENT</p> <p>17 International Securities Exchange 27, 2Z Pacific Stock Exchange 37, 3Z Philadelphia Stock Exchange 46, 4Y NASDAQ Stock Exchange 47, 4Z Chicago Board Options Exchange 57, 5Z American Stock Exchange 67, 6Z Boston Stock Exchange 7W, 7Y, 7Z Exercise and Assignment</p> <p>OTHER ABBREVIATIONS</p> <p>ELTR Estimated Long Term Return CR Current Return PV Par Value</p> <p>FINAL PROSPECTUS AVAILABLE</p> <p>Indicates that these securities are being sold pursuant to an SEC registration statement or where a prospectus is otherwise required. For assistance obtaining a copy of the final prospectus relating to these securities, you may contact us at 800-584-6837.</p>		<p>IT IS AGREED THAT</p> <p>All transactions are subject to the rules, regulations, requirements and customs of the exchange or market (and its clearing agency, if any) where executed, the regulations of the Federal Reserve Board and the Securities and Exchange Commission.</p> <p>Payment for securities purchased must be received by us no later than the Settlement Date indicated on the reverse side hereof. Payments not received by Settlement Date may be subject to late payment fees.</p> <p>Securities held in margin accounts or purchased but not yet paid for in cash accounts may be hypothecated by Morgan Stanley under circumstances which will permit the commingling thereof with securities of other clients.</p> <p>Securities sold "long" must be on deposit in your account or delivered to us by Settlement Date.</p> <p>Morgan Stanley will furnish, upon written request, the date and time when the transaction took place, the name of the other party to the transaction and the source and amount of any other remuneration received or to be received by us in connection with the transaction.</p> <p>Morgan Stanley accepts benefits that constitute payment for order flow. Details regarding these benefits will be furnished upon written request.</p> <p>When Morgan Stanley is acting as principal in a reported security, the price shown is the reported trade price made in accordance with the last sale reporting requirements.</p> <p>Debt securities may be redeemed in whole or in part before maturity, and such a redemption could affect any yield represented in this trade confirmation. Additional information is available upon request.</p> <p>Credit rating(s), if any, contained on this trade confirmation were provided by an unaffiliated third party. In some instances, the credit rating shown is based on the issuer's credit ranking and not the credit rating of the specific security purchased or sold. For an explanation of credit ratings for bonds, please see http://www.morganstanleyindividual.com/markets/bondcenter/school/credit/default.asp, or request a copy from your Financial Advisor.</p> <p>Insurance trades are subject to carrier underwriting approval.</p> <p>Any inquiries regarding this transaction should be made by using the telephone number provided on the reverse side.</p> <p>This transaction is conclusive and binding if not objected to in writing within five days of receiving this trade confirmation.</p> <p>All Good Till Cancelled (GTC) orders will expire 90 calendar days from the day they reach the market place. Until expiration, all open orders are considered good until cancelled by you or executed by us. When entering a substitute order or changing an existing order, the responsibility for canceling the original order rests upon the customer. Therefore, if a customer fails to cancel an existing order, transactions resulting from the execution of both the original and new order(s) will be entered in the customer's account.</p> <p>This agreement shall inure to the benefit of any successor or assignee of Morgan Stanley & Co. Incorporated.</p>
<p>CHARGES AND FEES</p> <p>CHARGE Represents the markup/down from the wholesaler's or dealer's price.</p> <p>TRANS FEE Represents a pass through of exchange floor, brokerage and clearing expenses incurred by Morgan Stanley for this transaction.</p> <p>FSCF Represents a pass through of Foreign Securities clearance fees incurred by Morgan Stanley for this transaction.</p> <p>SUPPLEMENTAL TRANSACTION FEE Represents fee to offset additional expenses associated with processing certain transactions.</p> <p>PROCESSING FEE Represents processing charges for certain executed orders.</p> <p>CDSC Represents Contingent Deferred Sales Charge.</p> <p>DSC Represents Deferred Sales Charge.</p> <p>ER FEE Represents Early Redemption Fee.</p> <p>MF TRANS FEE Represents Mutual Fund Transaction Fee, if applicable, as charged by Morgan Stanley.</p>		
<p>BACKUP WITHHOLDING</p> <p>Under Federal Income Tax Law, the customer is required to provide Morgan Stanley with a certification of the customer's Social Security or Taxpayer Identification Number. In the absence of such certification, Morgan Stanley is required to withhold taxes from the proceeds of sales at the current withholding rate.</p>		
<p>GROSS PROCEEDS</p> <p>If the transaction being confirmed is a sale or a redemption, this information will be furnished to the Internal Revenue Service.</p>		<p>Morgan Stanley</p>

Morgan Stanley

Your Financial Advisor
 MARK L. JOHNSON
 SENIOR VICE PRESIDENT
 MORGAN STANLEY
 294 EAST GROVE LANE, SUITE 220
 WAYZATA, MN 55391
 (952) 475-4100

55346
 (553462423691)
 CAROL BRAUNWARTH
 16769 BAYWOOD TERRACE
 EDEN PRAIRIE MN 55346-2423

Account Number
 319 059443 301
 IRA Standard
 Dated 08/20/01
 Householding Anniv. Date:
 11/14/2002
 Access Your Account at:
www.morganstanley.com/online

RETIREMENT ACCOUNT FOR MONTH ENDING DECEMBER 31, 2008

PAGE 1 OF 16

Asset Summary

	Value	% of Assets
Bank Deposits* and MMF	\$9,167.93	14.1%
Stocks	32,172.60	49.6
Municipal Bonds	0.00	0.0
Corporate Fixed Income	2.40	0.0
Government Securities	0.00	0.0
Mutual Funds	0.00	0.0
Unit Investment Trusts	23,592.66	36.3
Certificates of Deposit	0.00	0.0
Annuities/Insurance	0.00	0.0
Other	0.00	0.0
Asset Value	\$64,935.59	100.0%
Cash	0.00	
Total Asset Value	\$64,935.59	

Income Summary

	This Month	Year-To-Date
Bank Deposits* and MMF	\$4.43	\$60.42
Stocks	412.30	1,107.90
Municipal Bonds	0.00	0.00
Corporate Fixed Income	0.00	197.01
Government Securities	0.00	0.00
Mutual Funds	0.00	33.57
Unit Investment Trusts	33.92	1,545.00
Certificates of Deposit	0.00	0.00
Other	0.00	0.00
Total Income	\$450.65	\$2,943.90

*Eligible for FDIC Insurance; FDIC rules apply. Not SIPC insured.

Investments and services are offered through Morgan Stanley & Co. Incorporated, member SIPC.

Activity Summary

Total Asset Value November 30 2008	\$63,325.09
Bank Deposits/Cash/Money Market Funds Activity for December	
Closing Balance 11/30	\$8,717.28
Credits To Your Account	450.65
Dividends and Interest	0.00
Deposits	0.00
Sales Proceeds/Redemptions	0.00
Other Credits	0.00
Total Credits	450.65
Debits To Your Account	
Withdrawals	0.00
Funds to Purchase Securities	0.00
Other Debits	0.00
Total Debits	0.00
Closing Balance 12/31	9,167.93

Net Change Bank Deposits*/Cash/Money/Market Funds Activity

450.65

Changes in Asset Value for December	
Value of Priced Assets 11/30	\$54,607.81
Securities Bought	0.00
Securities Received	0.00
Securities Sold/Redeemed	0.00
Securities Delivered	0.00
Transactions at Fund Company	0.00
Change in Value of Priced Assets	1,159.85
Value of Priced Assets 12/31	55,767.66
Net Change in Asset Value	1,159.85

Total Asset Value as of December 31 2008

\$64,935.59

Please see page 5 for your Account's Retirement Recap.

Morgan Stanley

CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

RETIREMENT ACCOUNT FOR MONTH ENDING DECEMBER 31, 2008

Account Number
319 059443 301

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ASSET DETAILS

Cash/Money Market Funds/Bank Deposits

	Amount	Pct of Assets	Est Yrly Income	APY	7-Day Current Yield
CASH	.00	---	---	---	---
BANK DEPOSITS #					
MORGAN STANLEY BANK	9,167.93	14.1%	28	0.30%	---
Total Bank Deposits	9,167.93	14.1%	28	---	---
Total Cash and Money Market Funds	\$9,167.93	14.1%	\$28	---	---
Net Change Since Last Statement	\$450.65				

Bank deposits are at Morgan Stanley Bank and Morgan Stanley Trust bank (Members FDIC), affiliates of Morgan Stanley & Co. Incorporated.
Bank deposits are eligible for FDIC insurance up to applicable limits. Not SIPC insured.

Stocks

Common Stocks

	Current Price	Value	Pct of Assets	Est Yrly Income	Dividend Yield	Symbol	Additional Information
75	AMERICAN TOWER CP CLASS A	29.32	3.4%	0	0.00%	AMT	
100	BAKER HUGHES INC	32.07	5.0%	60	1.87%	BHI	Next Dividend Payable 02/09
8	GOOGLE INC-CL A	307.65	3.8%	0	0.00%	GOOG	
100	MOSAIC COMPANY (THE)	34.60	5.3%	20	.57%	MOS	Next Dividend Payable 02/09
200	NORDIC AMERICAN TNRK SHIPPING	33.75	10.4%	978	14.48%	NAT	Next Dividend Payable 03/09
100	TARGET CORPORATION	34.53	5.3%	64	1.85%	TGT	Next Dividend Payable 03/09
180	TENARIS S.A.	20.98	5.8%	136	3.62%	TS	
300	WEATHERFORD INTL INC BERMUDA	10.82	5.0%	0	0.00%	WFT	
250	WILLIAMS CO INC	14.48	5.6%	110	3.03%	WMB	Next Dividend Payable 03/09
Total Stocks		\$32,172.60	49.6%	\$1,368	4.25%		
Net Change Since Last Statement		\$374.52					

Morgan Stanley

CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

Account Number
319 059443 301

RETIREMENT ACCOUNT FOR MONTH ENDING DECEMBER 31, 2008

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Corporate Fixed Income**

Fixed-Rate Capital Securities

Current Price	Value	Pct of Assets	Est Yrly Income	Current Yield	Accruing Interest	Additional Information
400	2.40	N/A	0	0.00%	0.00	MOODY C CUSIP 52520B206
LEHMAN CAPITAL TRUST IV 6.375% QTRLY FEB DUE 10/31/52 CALLABLE \$25.00 ON 01/31/09						

Total Corporate Fixed Income

Net Change Since Last Statement

\$2.40 N/A 0 0.00%
-1.60

Unit Investment Trusts

Equity Trusts

Current Price	Value	Pct of Assets	Est Yrly Income	Current Yield	Accruing Interest	Par Value	Reinvest Option
1,769	9,746.12	15.0%	539	5.53%	N/A	N/A	Full
UNIT VAN KAMPEN SELECT 10 INDUSTRIAL 2007-6							
2,532	9,651.73	14.9%	1,101	11.40%	N/A	N/A	Full
UNIT VAN KAMPEN EAFE SELECT 20 PORTFOLIO 2008-1							
2	9.71	N/A	0	8.54%	N/A	N/A	Full
UNIT VAN KAMPEN DOW JONES DIVIDEND INDEX STRATEGY 2008-1							
598	4,185.10	6.4%	35	.85%	N/A	N/A	Full
UNIT VAN KAMPEN PWP AEROSPACE DEFENSE & SECURITY 2008-3							

Total Unit Investment Trusts

Net Change Since Last Statement

\$23,592.66 36.3% \$1,677 7.10%
\$786.93 0.00 0.00

Asset Summary

Total Asset Value

Total Net Change In Priced Assets Since Last Statement

\$64,935.59 \$3,074
\$1,159.85

If you hold Auction Rate Securities, please see the Message Center for important information regarding the pricing of these securities.

**The "Current Price" and "Value" figures shown for Fixed Income securities are representative values, which may not reflect the value that could actually be obtained in the market. See "Pricing of Securities" at the end of this statement.

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CREDITS TO YOUR ACCOUNT

Dividends and Interest

Date	Activity	Description	Amount	Income Category
12-02	Dividend	NORDIC AMERICAN TMRK SHIPPING	322.00	Stocks
12-05	Dividend	TENARIS S.A.	46.80	Stocks
12-10	Dividend	TARGET CORPORATION	16.00	Stocks
12-25	Dividend	UNIT VK EAFE SELECT 20 2008-1	33.88	Unit Investment Trusts
12-25	Dividend	UNIT VK DJ DIVIDEND INDEX 08-1	.04	Unit Investment Trusts
12-29	Dividend	WILLTAMS CO INC	27.50	Stocks
12-30	Interest	MORGAN STANLEY BANK (Period 11/27-12/30)	4.43	MMF and Bank Deposits

Total Dividends and Interest 450.65

See Income Summary on page 1 for the month-to-date and year-to-date amounts per income category.

Total Credits To Your Account

\$450.65 Year-To-Date \$97,218.71

ADDITIONAL ACCOUNT INFORMATION

Bank Deposits and MMF

Closing Balances

Date	Description	Amount	Additional Information
11-30	BANK DEPOSITS	8,717.28	
11-30	TOTAL Closing Balance	8,717.28	

Transactions

Date	Activity	Description	Amount	Additional Information
12-03	Automatic Deposit	BANK DEPOSIT PROGRAM	322.00	
12-08	Automatic Deposit	BANK DEPOSIT PROGRAM	46.80	
12-11	Automatic Deposit	BANK DEPOSIT PROGRAM	16.00	

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Bank Deposits and MMF

Transactions		Description		Amount		Additional Information	
Date	Activity						
12-29	Automatic Deposit	BANK DEPOSIT PROGRAM		33.92			
12-30	Automatic Deposit	BANK DEPOSIT PROGRAM		4.43			
12-30	Automatic Deposit	BANK DEPOSIT PROGRAM		27.50			

Closing Balances		Description		Amount		Additional Information	
Date							
12-31		BANK DEPOSITS		9,167.93			
12-31		TOTAL Closing Balance		9,167.93			

Retirement Recap		2008		2007	
Account Valuation		64,935.59		127,019.55	

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Morgan Stanley recently mailed to eligible clients an offer to purchase certain Auction Rate Securities. If you did not receive the materials but believe you may be eligible to participate, or, if you received the materials and have questions, please contact the Morgan Stanley Auction Rate Securities Call Center (800) 566-2273 or visit our website for more information about eligible securities: <http://www.morganstanley/individual.com/markets/bondcenter/auctionRateSecurities/>

Please note due to recent market conditions, certain Auction Rate Securities are experiencing no or limited liquidity. Therefore, the price(s) for any Auction Rate Securities shown on this statement may not reflect the price(s) you would receive upon a sale at auction or in a secondary market transaction. There can be no assurance that a successful auction will occur or that a secondary market exists or will develop for a particular security. The prices of any Auction Rate Securities on your statement are derived from various sources, and may differ from prices provided to Morgan Stanley by outside pricing services and/or from Morgan Stanley's own internal bookkeeping valuations. Please contact your Financial Advisor with any questions. To learn more about Auction Rate Securities, including information about the partial redemption allocations process, log on to ClientServ for more details. To enroll in ClientServ, go to www.morganstanleyclientserv.com/welcome.

[illegible]

Consolidated Statement of Financial Condition (in thousands of dollars):

At November 30, 2008, Morgan Stanley & Co. Incorporated had net capital of \$8,283,858 which exceeded the Securities and Exchange Commission's minimum requirement by \$1,361,804 and included excess net capital of \$418,709 of MS Securities Services Inc., a broker-dealer and a guaranteed subsidiary of Morgan Stanley & Co. Incorporated. A copy of the Morgan Stanley & Co. Incorporated Consolidated Statement of Financial Condition at November 30, 2008 can be viewed online at: www.morganstanley.com/about/sr/shareholder/morganstanley_co_inc.pdf or may be mailed to you at no cost by calling (866) 825-1675, after February 14, 2009.

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Messages

Save up to 30% on TurboTax This Tax Season

This year, we are pleased to offer you a simple way to do taxes through our relationship with TurboTax. And as a Morgan Stanley client, you can take advantage of 30% off the listed price of online federal versions or 20% off the listed price of the downloadable versions of TurboTax. Whether you need basic tax guidance or have a more complicated tax situation, TurboTax has the product to meet your individual needs. For more information, visit ClientServ.

TurboTax is not an agent of, nor affiliated with, Morgan Stanley. TurboTax and TurboTax Online are registered trademarks and/or service marks of Intuit Inc. in the United States and other countries. Morgan Stanley does not render advice on tax and tax accounting matters.

Morgan Stanley classifies the assets on your statement based on certain general characteristics, such as: income generation, underlying capital structure, or exposure to certain market sectors. Asset classification decisions are often influenced by marketplace conventions and are designed to be informative and provide clients with a particular, non-exclusive, view of their portfolio. As many assets contain characteristics of more than one asset class, the asset classification reflected on this statement may differ from others you may receive. These classifications are not intended to serve as a suitability analysis. Please contact your Financial Advisor for more information.

We understand that a primary concern of yours is the safety of your assets. Our goal at Morgan Stanley is not only to help you achieve your financial objectives, but also to make every effort to ensure that your assets are protected. Please review the brochure Protection for Your Assets, which is available via the link below. It provides an overview of the regulatory protections you enjoy as a client of Morgan Stanley, including safekeeping and segregation of client assets, as well as the protections afforded through the Securities Investor Protection Corporation (SIPC) and for Bank Deposits held through the Bank Deposit Program, protection provided by the Federal Deposit Insurance Corporation (FDIC). Morgan Stanley & Co Incorporated currently also maintains "excess SIPC" insurance coverage. The current coverage provided by the Customer Asset Protection Company (CAPCO) will remain in effect until February 16, 2009, but we have recently added "excess SIPC" coverage provided by Lloyd's of London that is effective immediately.

For more information, please visit:
<http://www.morganstanleyindividual.com/customerservice/ProtectionForYourAssets.pdf>

Morgan Stanley

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IRA Standard
Dated 08/20/01
Householding Anniv. Date:
11/14/2002

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GAIN AND LOSS SUMMARY

The Estimated Gain and Loss information is provided for informational purposes only and may not be relied upon in making any tax, accounting or regulatory filing or report. We recommend that you contact your tax advisor to determine the appropriate information to be used in the preparation of your tax return. This Estimated Gain and Loss Summary is not a substitute 1099 form (or any other appropriate tax form) and should not be filed with your taxes. The Total Cost, Unit Cost and Proceeds of eligible equity and options transactions with Choice SelectSM pricing do not include commissions paid on your purchases or sales and therefore may not equal the acquisition price or principal amount of the sale. The figures should be independently verified. Estimated Gain and Loss information does not take into account a taxpayer's particular circumstances such as the existence of hedging transactions, constructive sales or marked-to-market pricing adjustments on certain options held at year-end. Please note that although Morgan Stanley makes every effort to adjust the cost basis for such securities' capital changes, it does not adjust the cost basis for all events, including amortization of non-municipal bond premiums; exercise of unlisted stock options; securities deemed to have been sold and simultaneously repurchased; receipt of cash in lieu of fractional shares; or the net effect of wash sales and/or short sales against the box.

For securities not purchased through Morgan Stanley, for example, securities purchased elsewhere and later transferred to it, any data included in the Estimated Gain and Loss information has been provided either by you or another financial institution. Whether provided by you, another financial institution or Morgan Stanley, it is your responsibility to ensure the accuracy of all of the Estimated Gain and Loss information. Please contact your Financial Advisor with any questions or to correct any information. For Managed Futures and alternative investments, there are likely to be restrictions on redemptions, please see applicable offering document.

With respect to estimated gains and losses for listed equity options, Morgan Stanley has taken into account option premiums paid or received and, in respect to multiple purchases and/or sales, calculated cost using an average unit price for all like positions. Morgan Stanley has made calculations using what appear to be off-setting positions; no assurance can be given that these positions are intended to off-set each other or that they are not intended to off-set other securities positions. In which case the analysis may be different. Morgan Stanley has obtained pricing information from independent sources it believes to be reliable. No assurance can be given that the values given are accurate. Values are subject to change and are as of a given point in time only. Past performance does not guarantee future returns.

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Unrealized Gain/(Loss)

Stocks

Common Stocks

Quantity	Date Acquired	Unit Cost Original / Adjusted*	Total Cost Original / Adjusted*	Market Value	Unrealized Gain/(Loss)	Additional Information
AMERICAN TOWER CP CLASS A						
75	12-07-07	43.26789	3,245.09	2,199.00	(1,046.09)	Long Term
BAKER HUGHES INC						
100	05-09-08	82.63080	8,263.08	3,207.00	(5,056.08)	Short Term
GOOGLE INC-CL A						
2	05-24-05	291.61500	583.23	615.30	32.07	Long Term
6	02-04-08	520.40833	3,122.45	1,845.90	(1,276.55)	Short Term
8		463.21000	3,705.68	2,461.20	(1,244.48)	
MOSAIC COMPANY (THE)						
100	08-12-08	101.42050	10,142.05	3,460.00	(6,682.05)	Short Term
NORDIC AMERICAN TNRK SHIPPING						
200	06-30-08	39.73860	7,947.72	6,750.00	(1,197.72)	Short Term
TARGET CORPORATION						
100	01-29-03	27.22000	2,722.00	3,453.00	731.00	Long Term
TENARIS S.A.						
180	09-25-07	52.86017	9,514.83	3,776.40	(5,738.43)	Long Term
WEATHERFORD INTL INC BERMUDA						
100	03-19-07	23.14625	2,314.63	1,082.00	(1,232.63)	Long Term
200	01-24-08	30.29375	6,058.75	2,164.00	(3,894.75)	Short Term
300		27.91126	8,373.38	3,246.00	(5,127.38)	
WILLIAMS CO INC						
50	07-26-05	21.32860	1,066.43	724.00	(342.43)	Long Term
200	07-26-05	21.35470	4,270.94	2,896.00	(1,374.94)	Long Term
250		21.34948	5,337.37	3,620.00	(1,717.37)	
Total Common Stocks			59,251.20	32,172.60	(27,078.60)	
Total Stocks			59,251.20	32,172.60	(27,078.60)	

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*Adjusted Cost, Unit and Total, does not apply to all securities; it only applies to those securities whose terms can cause them to increase or reduce in value until maturity. Please contact your Financial Advisor for more information.

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Unrealized Gain/(Loss)

Corporate Fixed Income**

Fixed-Rate Capital Securities

LEHMAN CAP TR IV 6 3/8 10-31-52

Quantity	Date Acquired	Unit Cost Original / Adjusted*	Total Cost Original / Adjusted*	Market Value	Unrealized Gain/(Loss)	Additional Information
400	06-20-08	17.20663 17.20663	6,882.65 6,882.65	2.40	(6,880.25)	Short Term

Total Corporate Fixed Income

6,882.65
6,882.65
2.40
(6,880.25)

Unit Investment Trusts

Equity Trusts

UNIT VK SELECT 10 INDUS 2007-6

DIVIDEND REINVESTMENT

DIVIDEND REINVESTMENT

UNIT VK EAFE SELECT 20 2008-1

DIVIDEND REINVESTMENT

DIVIDEND REINVESTMENT

UNIT VK DJ DIVIDEND INDEX 08-1

DIVIDEND REINVESTMENT

UNIT VK AEROSPACE DEFENSE 08-3

DIVIDEND REINVESTMENT

Total Equity Trusts

Total Unit Investment Trusts

Totals for positions with cost data available

Total Market Value for all positions

\$55,767.66

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**The "Market Value" and "Unrealized Gain/(Loss)" figures shown for Fixed Income securities are representative values, which may not reflect the value that could actually be obtained in the market. See "Pricing of Securities" at the end of this statement.

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The "Total Cost" and "Unit Cost" for Fixed Income Unit Trusts, Mortgage-Backed Securities, and Zero Coupon Bonds has been adjusted to reflect any partial return of principal or capital that may have been paid to you, or accreted interest earned, since your purchase date. In the event that the accumulated total return of principal or capital is greater than the provided original cost, the adjusted cost will be "0.00".

Unrealized Gain/(Loss)	Quantity	Date		Unit Cost		Total Cost		Market Value	Unrealized Gain/(Loss)	Additional Information
		Acquired	Sold	Original / Adjusted*	Adjusted*	Original / Adjusted*	Adjusted*			

Short Term

AMERICAN TOWER CP CLASS A	100	12-07-07	08-12-08	4,326.79	4,153.53	(173.26)	Short Term
ENBRIDGE ENERGY PTNS LP	100	02-27-08	06-17-08	4,900.00	5,092.58	192.58	Short Term
REVCONS ON COH	9,000	09-21-07	02-13-08	8,932.64 D	6,056.76	(2,875.88)	Short Term
SCHUMBERGER LTD	60	04-18-07	02-27-08	4,592.52	5,158.29	565.77	Short Term
SOLAFON PMR HLDS CO LTD	400	02-13-08	08-21-08	7,463.17	7,872.79	409.62	Short Term
UNIT VK DJ DIVIDEND INDEX 07-1	940	03-16-07	01-07-08	9,271.31	7,710.17	(1,561.14)	Short Term
UNIT VK DJ DIVIDEND INDEX 07-1	2	04-25-07	01-07-08	20.37	16.40	(3.97)	Short Term
UNIT VK DJ DIVIDEND INDEX 07-1	2	05-25-07	01-07-08	20.75	16.40	(4.35)	Short Term
UNIT VK DJ DIVIDEND INDEX 07-1	2	06-25-07	01-07-08	20.16	16.40	(3.76)	Short Term
UNIT VK DJ DIVIDEND INDEX 07-1	2	07-25-07	01-07-08	19.72	16.40	(3.32)	Short Term
UNIT VK DJ DIVIDEND INDEX 07-1	2	08-25-07	01-07-08	18.99	16.40	(2.59)	Short Term
UNIT VK DJ DIVIDEND INDEX 07-1	2	09-25-07	01-07-08	19.06	16.40	(2.66)	Short Term
UNIT VK DJ DIVIDEND INDEX 07-1	3	10-25-07	01-07-08	27.10	24.61	(2.49)	Short Term
UNIT VK DJ DIVIDEND INDEX 07-1	2	11-25-07	01-07-08	17.03	16.40	(.63)	Short Term
UNIT VK DJ DIVIDEND INDEX 08-1	840	01-07-08	07-23-08	7,846.02	5,852.13	(1,993.89)	Short Term
UNIT VK DJ DIVIDEND INDEX 08-1	3	02-25-08	07-23-08	28.48	20.90	(7.58)	Short Term
UNIT VK DJ DIVIDEND INDEX 08-1	1	03-25-08	07-23-08	8.36	6.97	(1.39)	Short Term
UNIT VK DJ DIVIDEND INDEX 08-1	2	04-25-08	07-23-08	16.88	13.93	(2.95)	Short Term
UNIT VK DJ DIVIDEND INDEX 08-1	3	05-25-08	07-23-08	24.30	20.90	(3.40)	Short Term
UNIT VK DJ DIVIDEND INDEX 08-1	1	06-25-08	07-23-08	7.09	6.97	(.12)	Short Term
UNIT VK DJ DIVIDEND INDEX 08-1	2	07-25-08	08-25-08	0.06	.06		Short Term
UNIT VK DJ DIVIDEND INDEX 08-1	2	07-25-08	10-25-08	0.15	.15		Short Term
UNIT VK EAFE SELECT 20 2007-1	1,156	03-19-07	01-14-08	11,998.98	12,185.59	444.87	Short Term
UNIT VK EAFE SELECT 20 2007-1	10	05-25-07	01-14-08	11,740.72	105.41	(5.94)	Short Term
				113.58			
				111.35			

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Realized Gain/(Loss)	Quantity	Date Acquired	Date Sold	Total Cost Original / Adjusted*	Proceeds	Realized Gain/(Loss)	Additional Information
UNIT VK EAFE SELECT 20 2007-1	5	06-25-07	01-14-08	56.33	52.71	(2.50)	Short Term
UNIT VK EAFE SELECT 20 2007-1	5	07-25-07	01-14-08	55.21			Short Term
UNIT VK EAFE SELECT 20 2007-1	5	07-25-07	01-14-08	56.08			Short Term
UNIT VK EAFE SELECT 20 2007-1	25	09-25-07	01-14-08	54.96	52.71	(2.25)	Short Term
UNIT VK EAFE SELECT 20 2007-1	9	11-25-07	01-14-08	267.67	263.53	(4.14)	Short Term
UNIT VK EAFE SELECT 20 2007-2	983	06-27-07	03-13-08	97.89	94.87	(3.02)	Short Term
UNIT VK EAFE SELECT 20 2007-2	2	07-25-07	03-13-08	10,053.63	8,941.52	(1,112.11)	Short Term
UNIT VK EAFE SELECT 20 2007-2	2	08-25-07	03-13-08	20.49	18.19	(2.30)	Short Term
UNIT VK EAFE SELECT 20 2007-2	3	10-25-07	03-13-08	18.06	18.19	.13	Short Term
UNIT VK EAFE SELECT 20 2007-2	2	11-25-07	03-13-08	29.77	27.29	(2.48)	Short Term
UNIT VK EAFE SELECT 20 2007-2	5	12-25-07	03-13-08	48.47	45.48	(2.99)	Short Term
UNIT VK EAFE SELECT 20 2007-2	5	01-14-08	09-25-08	47.13	45.48	(1.65)	Short Term
UNIT VK EAFE SELECT 20 2008-1	1,356	03-13-08	09-25-08	44.05	44.05		Short Term
UNIT VK EAFE SELECT 20 2008-1	1,035	04-25-08	09-25-08	33.63	33.63		Short Term
UNIT VK EAFE SELECT 20 2008-1	11	05-25-08	09-25-08	0.36	.36		Short Term
UNIT VK EAFE SELECT 20 2008-1	20	06-25-08	09-25-08	0.65	.65		Short Term
UNIT VK EAFE SELECT 20 2008-1	32	07-25-08	09-25-08	1.04	1.04		Short Term
UNIT VK EAFE SELECT 20 2008-1	20	08-25-08	09-25-08	0.65	.65		Short Term
UNIT VK EAFE SELECT 20 2008-1	9	09-12-07	06-30-08	66.55	56.70	(9.85)	Short Term
UNIT VK EAFE SELECT 20 2008-1	7.202	12-11-07	06-30-08	16.61	14.64	(1.97)	Short Term
UNIT VK EAFE SELECT 20 2008-1	1.860	12-11-07	06-30-08	77.41	68.25	(9.16)	Short Term
UNIT VK EAFE SELECT 20 2008-1	8.669	12-11-07	06-30-08	13.07	11.53	(1.54)	Short Term
UNIT VK EAFE SELECT 20 2008-1	2.129	03-12-08	06-30-08	17.31	16.76	(.55)	Short Term
UNIT VK EAFE SELECT 20 2008-1	.244	03-12-08	06-30-08	1.98	1.92	(.06)	Short Term
UNIT VK EAFE SELECT 20 2008-1	2.010	06-11-08	06-30-08	16.26	15.81	(.45)	Short Term
Sub Total Short Term				\$70,416.16	\$64,222.79	(\$6,193.37)	
Long Term							
HONEYWELL INTERNATIONAL INC	100	03-26-07	04-08-08	4,886.25	5,565.16	678.91	Long Term
JPMORGAN CHASE & CO	100	03-19-07	05-09-08	4,911.25	4,531.63	(379.62)	Long Term
VAN KAMPEN EQUITY AND INCOME A	2.773	03-17-04	06-30-08	22.27	21.83	(.44)	Long Term
VAN KAMPEN EQUITY AND INCOME A	7.803	06-16-04	06-30-08	62.03	61.43	(.60)	Long Term
VAN KAMPEN EQUITY AND INCOME A	7.774	09-15-04	06-30-08	62.35	61.20	(1.15)	Long Term
VAN KAMPEN EQUITY AND INCOME A	10.168	12-08-04	06-30-08	85.21	80.05	(5.16)	Long Term
VAN KAMPEN EQUITY AND INCOME A	2.351	12-08-04	06-30-08	19.70	18.51	(1.19)	Long Term

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Morgan Stanley

CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

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Realized Gain/(Loss)

Quantity	Date Acquired	Date Sold	Total Cost Original / Adjusted*	Proceeds	Realized Gain/(Loss)	Additional Information
VAN KAMPEN EQUITY AND INCOME A	20.368	03-16-05	06-30-08	172.31	160.35	(11.96) Long Term
VAN KAMPEN EQUITY AND INCOME A	7.472	03-16-05	06-30-08	63.21	58.82	(4.39) Long Term
VAN KAMPEN EQUITY AND INCOME A	8.128	06-15-05	06-30-08	69.74	63.99	(5.75) Long Term
VAN KAMPEN EQUITY AND INCOME A	7.869	09-14-05	06-30-08	70.11	61.95	(8.16) Long Term
VAN KAMPEN EQUITY AND INCOME A	8.054	12-14-05	06-30-08	70.47	63.41	(7.06) Long Term
VAN KAMPEN EQUITY AND INCOME A	4.194	12-14-05	06-30-08	36.70	33.02	(3.68) Long Term
VAN KAMPEN EQUITY AND INCOME A	50.303	12-14-05	06-30-08	440.15	396.01	(44.14) Long Term
VAN KAMPEN EQUITY AND INCOME A	2.365	03-15-06	06-30-08	20.62	18.62	(2.00) Long Term
VAN KAMPEN EQUITY AND INCOME A	22.950	03-15-06	06-30-08	200.12	180.67	(19.45) Long Term
VAN KAMPEN EQUITY AND INCOME A	9.147	03-15-06	06-30-08	79.76	72.01	(7.75) Long Term
VAN KAMPEN EQUITY AND INCOME A	9.663	06-14-06	06-30-08	81.46	76.07	(5.39) Long Term
VAN KAMPEN EQUITY AND INCOME A	9.476	09-13-06	06-30-08	84.43	74.60	(9.83) Long Term
VAN KAMPEN EQUITY AND INCOME A	9.372	12-13-06	06-30-08	84.91	73.78	(11.13) Long Term
VAN KAMPEN EQUITY AND INCOME A	5.494	12-13-06	06-30-08	49.78	43.25	(6.53) Long Term
VAN KAMPEN EQUITY AND INCOME A	45.959	12-13-06	06-30-08	416.39	361.81	(54.58) Long Term
VAN KAMPEN EQUITY AND INCOME A	1.349	03-14-07	06-30-08	3.11	2.75	(.36) Long Term
VAN KAMPEN EQUITY AND INCOME A	7.348	03-14-07	06-30-08	65.40	57.85	(7.55) Long Term
VAN KAMPEN EQUITY AND INCOME A	9.889	03-14-07	06-30-08	88.01	77.85	(10.16) Long Term
VAN KAMPEN EQUITY AND INCOME A	6.965	06-13-07	06-30-08	66.17	54.83	(11.34) Long Term
VAN KAMPEN STRATEGIC GROWTH C	9.196	10-06-03	08-12-08	284.34	350.00	65.66 Long Term
VAN KAMPEN STRATEGIC GROWTH C	162.214	10-06-03	08-12-08	5,015.66	5,899.34	883.68 Long Term
WEATHERFORD INTL INC BERMUDA	100	03-19-07	06-30-08	2,314.63	4,779.14	2,464.51 Long Term

Sub Total Long Term

Totals for closing transactions with cost data available

Total Proceeds

D - Periodic payments on this security consist of interest and option premium. The cost basis for this tax lot is reduced by the option premium received. The interest portion is reported on Form 1099-INT.

Summary

	Short Term	Long Term	Total
Unrealized gain.....	\$0.00	\$763.07	\$763.07
Unrealized (loss).....	(\$39,882.85)	(\$16,939.87)	(\$56,822.72)
Realized gain YTD.....	\$1,612.97	\$4,092.76	\$5,705.73
Realized (loss) YTD.....	(\$7,806.34)	(\$619.37)	(\$8,425.71)

*Adjusted Cost, Unit and Total, does not apply to all securities; it only applies to those securities whose terms can cause them to increase or reduce in value until maturity. Please contact your Financial Advisor for more information.

Morgan Stanley

CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

RETIREMENT ACCOUNT FOR MONTH ENDING DECEMBER 31, 2008

Account Number
319 059443 301

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INDIVIDUAL EQUITY RATINGS

DESCRIPTION	QUANTITY	CURRENT-PRICE	MARKET-VALUE	RATING	MORGAN STANLEY RESEARCH		ADDITIONAL RESEARCH	
					INDUSTRY VIEW	VOLATILITY	NAME	RATING
AMERICAN TOWER CP CLASS A	75	29.32	2,199.00	Overweight	Attractive	-	S&P	5* Strong Buy
BAKER HUGHES INC	100	32.07	3,207.00	Overweight	Attractive	-	S&P	3* Hold
GOOGLE INC-CL A	8	307.65	2,461.20	Overweight	Attractive	-	S&P	5* Strong Buy
MOSAIC COMPANY (THE)	100	34.60	3,460.00	Overweight	Attractive	-	Morningstar	5 stars
NORDIC AMERICAN TANKER SHIPPING	200	33.75	6,750.00	Equal-weight	Cautious	-	Argus	HOLD
TARGET CORPORATION	100	34.53	3,453.00	Equal-weight	In-Line	-	S&P	3* Hold
TENARIS S.A.	180	20.98	3,776.40	Overweight	Attractive	-	Morningstar	3 stars
WEATHERFORD INTL INC BERMUDA	300	10.82	3,246.00	Overweight	Attractive	-	S&P	4* Buy
WILLIAMS CO INC	250	14.48	3,620.00	Coverage discontinued - 05/19/2008			S&P	3* Hold

Independent, third-party research on equity securities of certain companies covered by Morgan Stanley Equity Research is available to U.S. customers of Morgan Stanley at no cost. Customers can access this research by visiting www.morganstanley.com/equityresearch, by calling 800-624-2063 or by contacting a Morgan Stanley representative to request that a copy of this research be sent to them.

Research does not provide individually tailored investment advice. Research reports are prepared without regard to the individual financial circumstances and objectives of persons who receive them. The securities and other financial instruments discussed in any report may not be suitable for or available to all investors. An investor's decision to buy or sell a stock should depend on individual circumstances (such as the investor's investment objectives, financial situation, investment horizon and existing holdings) and other considerations. Morgan Stanley recommends that investors independently evaluate particular investments and strategies, and encourages investors to seek the views of a financial adviser. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives as well as market conditions at the time. For additional information, please contact a Morgan Stanley representative.

RESEARCH RATINGS DEFINITIONS

Morgan Stanley Stock Ratings
Overweight (O) : The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.
Equal-weight (E) : The stock's total return is expected to be in line with the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Morgan Stanley

CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

RETIREMENT ACCOUNT
FOR MONTH ENDING DECEMBER 31, 2008

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RESEARCH RATINGS DEFINITIONS

Morgan Stanley Stock Ratings(continued)

Underweight (U) : The stock's total return is expected to be below the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Not-Rated (NA) : Currently the analyst does not have adequate conviction about the stock's total return relative to the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months. Please note that NA may also be used to designate stocks where a rating is not currently available for policy reasons. For the current list of Not-Rated/Hold stocks please email morganstanley.research@morganstanley.com.

Morgan Stanley Industry Views

Attractive (A) : The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark named on the cover of the corresponding report.

In-Line (I) : The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be in line with the relevant broad market benchmark named on the cover of the corresponding report.

Cautious (C) : The analyst views the performance of his or her industry coverage universe over the next 12-18 months with caution vs. the relevant broad market benchmark named on the cover of the corresponding report. Unless otherwise specified, the time frame for Morgan Stanley price targets is 12 to 18 months.

S&P

5* Strong Buy : Stock expected to outperform the S&P 500 Index by a wide margin, with shares rising in absolute price over the next 12 months.

4* Buy : Stock expected to outperform the S&P 500 Index, with shares rising in absolute price over the next 12 months.

3* Hold : Stock expected to closely approximate that of the S&P 500 Index, with shares generally rising in price over the next 12 months.

2* Sell : Stock expected to underperform the S&P Index, and share price is not anticipated to show a gain over the next 12 months.

1* Strong Sell : Stock expected to underperform the S&P 500 Index, with shares falling in absolute price over the next 12 months.

Morningstar

5 stars : (Significantly Undervalued) - Stock trading at significantly large discount to analyst's fair value estimate.

4 stars : (Undervalued) - Stock trading at large discount to analyst's fair value estimate.

3 stars : (Fairly Valued) - Stock trading very close to fair value estimate.

2 stars : (Overvalued) - Stock trading at large premium to analyst's fair value estimate.

1 star : (Significantly Overvalued) - Stock trading at significantly large premium to analyst's fair value estimate. Under Review : Rating temporarily suspended while analyst reviews fair value estimate.

Argus

Buy (B) : Stock expected to deliver a risk-adjusted return that beats the market over the next 12 months.

Hold (H) : Stock expected to perform in line with the market on a risk-adjusted basis over the next 12 months.

Sell (S) : Stock expected to underperform the market on a risk-adjusted basis over the next 12 months.

NA appearing for Morgan Stanley Research indicates that either the rating for this stock is not available because of a Morgan Stanley policy or, the rating for this stock is Not-Rated as per the definition in Research Ratings Definitions above. For a current list of Morgan Stanley stocks rated Not-Rated as defined above, please email morganstanley.research@morganstanley.com. NA appearing for an independent third party research provider indicates that the ratings for this company are not available because of a Morgan Stanley policy.

Morgan Stanley

CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

RETIREMENT ACCOUNT
FOR MONTH ENDING DECEMBER 31, 2008

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RESEARCH RATINGS DEFINITIONS

"NC" appearing on the Morgan Stanley ratings line indicates that Morgan Stanley does not carry an opinion on this security. Morgan Stanley might carry an opinion on a different security on this company. Please contact your Financial Advisor for information.

The securities ratings that appear here have been taken from research reports prepared by Morgan Stanley Equity Research as well as reports prepared by independent third party research providers who were selected by Morgan Stanley's Independent Consultant and are provided for information purposes only. The independent third party research reports were prepared without input from Morgan Stanley. Morgan Stanley does not represent that these reports are accurate or complete. The independent third party research provider whose rating is shown for each security may not be representative of the ratings assigned to that security by other independent third party research providers or by Morgan Stanley. Research reports from such independent third party research providers are generally available on our website, as well as current and historical ratings for the providers. You are encouraged to review this and all other relevant information available regarding your investment. Different providers use different terms and systems to describe the recommendations in their research reports. For example, Morgan Stanley uses a relative rating system including terms such as Overweight, Equal-weight or Underweight (see explanations within definitions section). In addition, Morgan Stanley applies an industry rating system which compares the analyst's view of the industry to the broader market benchmark. A rating system using terms such as buy, hold and sell may not be equivalent to our rating system. Investors should carefully read the explanations of all ratings shown. The ratings assigned to each security and the explanations for the ratings used by the independent third party research providers have been furnished to us by such providers. In addition, since the research report contains more complete information concerning the analyst's views, investors should read the entire research report and not infer its contents from the rating alone.

All ratings shown on statements are as of the last business day of the month. All ratings shown on confirms are as of the current business day.

Morgan Stanley

Account Valuation

This figure represents the approximate value of your account on a settlement date basis and is computed by adding (1) the market value of all priced positions and (2) market values provided by pricing services and correspondent custodians for other positions, and by adding any credit or subtracting any debit to your closing cash, or money market fund and/or bank deposit balance. Please note, this valuation may be adjusted for the net change in priced asset values for securities held or for the net change in money market balances during the statement period. Your closing cash, money market fund and/or bank deposit balance represents the cash, money market funds and/or bank deposits and reflects the net month end available balance.

The Bank Deposit Annual Percentage Yield (APY) represents the applicable rate in effect for your deposits at the statement ending date. This APY may be different than the APY that was in effect during the statement period. For current Bank Deposit or Money Market Fund yields, go to <http://www.morganstanleyindividual.com/accountoptions/activeassets/investmentfeatures/>

Availability of Free Credit Balances and Financial Statements

Under the customer protection rules of the SEC (17 CFR §240.15c3-2 & -3), Morgan Stanley & Co. Incorporated may use free credit balances in your account which are payable to you on demand, in the ordinary course of its business. We send summary Morgan Stanley & Co. Incorporated financial statements to you semiannually; copies are also available on request, by mail.

Certain Assets Not Held At Morgan Stanley & Co. Incorporated

You may purchase certain assets through Morgan Stanley & Co. Incorporated that may be held at a financial institution other than Morgan Stanley & Co. Incorporated. Assets not held at Morgan Stanley & Co. Incorporated may not be covered by SIPC protection. We may include information about these assets on your Morgan Stanley & Co. Incorporated statement, solely as a service to you and are not responsible for information (including valuation) derived from you or another external source. Generally, any financial institution that holds securities is responsible for providing taxable year-end reporting (1099s) and separate periodic statements, which may vary from our information due to different tax reporting periods. In the case of Morgan Stanley, Van Kampen and external networked mutual funds, Morgan Stanley & Co. Incorporated performs all year-end tax reporting (1099s). Under certain circumstances, such as IRA accounts, Morgan Stanley & Co. Incorporated performs all tax reporting.

Clients' Investment Objectives and Financial Situation

It is essential to advise your Financial Advisor immediately if there is a material change in your investment objectives or financial situation.

Dividend/Interest (Month/YTD)

These figures represent dividends and/or interest on securities received by Morgan Stanley and credited to your account during the calendar year. As required by law, Morgan Stanley reports to the Internal Revenue Service dividend distributions and taxable bond interest credited to your account. The totals reported are indicated as the year-to-date (YTD) figures on the last statement for the calendar year. In the case of Real Estate Investment Trusts (REITs), Master Limited Partnerships, Regulated Investment Companies and Unit Investment Trusts, some sponsors may reclassify the distribution to a different tax type for year-end reporting (1099).

Errors and Inquiries

If you do not understand an entry on your statement or suspect an error was made, it is essential that you immediately contact the manager of the office servicing your account. Oral communications regarding any inaccuracy or discrepancy in this statement should be re-confirmed in writing to further protect your rights. Including rights under the Securities Investor Protection Act (SIPA). We will consider your statement to be correct unless we receive a written inquiry from you about the suspected error within 10 calendar days from the day on which you received your statement. It is your responsibility to review your statement promptly and to seek immediate clarification about entries that you do not understand.

Estimated Annual Income and Yields

Estimated annual income and yields are calculated by annualizing the most recent distribution and do not reflect historic experience or projected future results. Since the rates are subject to change at any time, they should not be solely relied upon for making investment or trading decisions. You should consult with your Financial Advisor to obtain accurate, current information so you can make an informed decision.

Listed Options

Information with respect to commissions and other charges related to the execution of options transactions has been included in confirmations of such transactions previously furnished to you and such information will be made available to you promptly at your request.

Margin Interest Charges

Morgan Stanley calculates interest charges on margin loans as follows:
(1) Multiply the applicable margin interest rate by the daily close of business net settled debit balance. (2) Divide by 360 (days).

Margin interest accrues daily throughout the month and is added to your debit balance at month-end. The month-end interest charge is the sum of the daily accrued interest calculations for the month. Morgan Stanley adds the accrued interest to your debit balance and starts a new calculation each time the applicable interest rate changes and at the close of every statement month. For current margin loan interest rates, please go to <http://www.morganstanleyindividual.com/customersevice/disclosures/#4>

Margin Privileges (not available for certain accounts such as IRAs or retirement accounts)

If you have margin privileges, you may borrow money from Morgan Stanley in exchange for pledging assets in your account as collateral for any outstanding margin loan. The amount you may borrow is based on the value of the eligible securities in your margin account, which are identified by an asterisk (*) on your statement.

Pricing of Securities

The prices of securities displayed on your statement are derived from various sources and in some cases may be higher or lower than the price that you would actually receive in the market. Although we attempt to use reliable sources of information, we can offer no assurance as to its accuracy.

For securities listed on an exchange or trading continually in an active marketplace, the price reflects the market quotations at the close of your statement period. The prices of securities not actively traded may not be available. These are indicated by N/A (not available).

For bonds trading less frequently, we rely on outside pricing services or a computerized pricing model, which cannot always give us actual market values. Similarly, some annuity values provided by outside sponsors are estimates.

The amounts on this statement for limited partnerships are typically obtained from a third party or from the general partners unless Morgan Stanley has obtained other information such as an independent appraisal. Since many partnership valuations are provided only annually, they do not always represent current values.

Furthermore, limited partnerships and non-traded REITs are illiquid and have no public markets, so the amounts showing on this statement may not equal the amounts you would receive if you sold your investment.

Security Measures

The value of mutual fund shares is determined by multiplying the net asset value (NAV) by the number of shares or units held, as reported to Morgan Stanley by the correspondent custodian. If we cannot obtain a price or estimate, N/A appears. Speak to your Financial Advisor to obtain current information concerning the prices on your statements.

SIPC Protection

Your Morgan Stanley statement features several embedded security elements to safeguard its authenticity. One is a unique security mark—a blue rectangle with the letters MS printed in heat-sensitive blue ink on the front side of every page. When exposed to warmth, the blue rectangle will disappear, and then reappear.

Taxes

Securities and cash held in Morgan Stanley & Co. Incorporated accounts are protected up to their full net equity value by a combination of coverage provided by the Securities Investor Protection Corporation (SIPC), a non-profit organization created by an Act of Congress, and additional protection purchased from a private insurer by Morgan Stanley (the Excess Coverage). Excess Coverage provides additional protection up to the full net equity value of each account including unlimited coverage for uninvested cash. SIPC protects up to \$500,000 of each client's securities, of which up to \$100,000 may be uninvested cash. SIPC and Excess Coverage apply only to securities and cash in the exclusive possession and control of Morgan Stanley & Co. Incorporated and do not protect against losses due to market fluctuations. Detailed information is available upon request.

Transaction Dates and Conditions

Under Federal Income Tax law, Morgan Stanley is required to report the gross proceeds of sales transactions (including entering into short sales) to you on Form 1099-B by January 31 of the year following the calendar year of the transaction. The information reported on your Form 1099-B for the calendar year should be exclusively relied upon for the purpose of filing your tax return for the year. Under U.S. Internal Revenue Service regulations, if you have or W-8, your account may be subject to either 28% backup withholding or 30% nonresident alien withholding, as applicable, on payments made to your account.

Transaction Dates and Conditions

All transaction dates on this statement are the transactions' settlement dates. In the case of unsettled trades, we list the trade date instead of the settlement date with a notation that the trade is unsettled. Upon written request, Morgan Stanley will furnish the date and time of a transaction and the name of the other party to a transaction. Morgan Stanley accepts benefits that constitute payment for order flow. Details regarding these benefits and the source and amount of any other remuneration received or to be received by us in connection with any transaction will be furnished upon written request.

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CLIENT STATEMENT | For the Period September 1 - 30, 2009

MorganStanley
SmithBarney

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CAROL BRAUNWARTH
16769 BAYWOOD TERRACE
EDEN PRAIRIE MN 55346-2423

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Client Interaction Center

800-844-6119
Mon-Fri 8 AM - 8 PM ET
Sat-Sun Closed

Access your accounts online

www.morganstanley.com/online

Investments and services offered through Morgan Stanley Smith Barney LLC, and accounts carried by
Morgan Stanley & Co. Incorporated, members SIPC.

TOTAL VALUE LAST PERIOD (as of 8/31/09)	\$74,301.57
NET CONTRIBUTIONS/WITHDRAWALS	—
PORTFOLIO INCOME & APPRECIATION	6,067.86
TOTAL VALUE OF YOUR ACCOUNT (as of 9/30/09)	\$80,369.43

Your Financial Advisor Team
The Johnson Group

Your Financial Advisors

Mark Johnson
Senior Vice President
Mark.L.Johnson@morganstanley.com
952 475-4112

William Barton McNabb
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Debbie McKinney
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952 475-4114

Peter Wilcox
Peter.Wilcox@morganstanley.com
952 475-4115

CLIENT STATEMENT | For the Period September 1-30, 2009

Account Summary

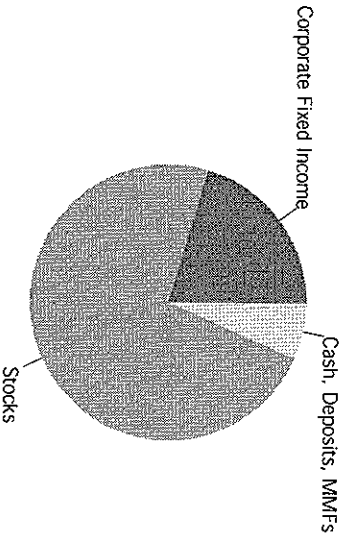
Brokerage Account
TRADITIONAL IRA
Householding Anniversary Date: 11/14/02
Investment Objectives: Income, Aggressive Income, Capital Appreciation, Speculation

CHANGE IN VALUE OF YOUR ACCOUNTS

	This Year (1/1/09-9/30/09)	This Period (9/1/09-9/30/09)
Total Beginning Market Value	\$64,935.59	\$74,301.57
Contributions	—	—
Withdrawals	—	—
Security Transfers	—	—
Net Contributions/Withdrawals	—	—
Portfolio Income	1,544.58	117.47
Net Portfolio Appreciation	13,889.26	5,950.39
Total Ending Market Value	\$80,369.43	\$80,369.43

This exhibit may not include transactions for investments in Annuities or where Morgan Stanley & Co. Incorporated is not the custodian. This may affect the reported Net Invested Capital. If we are not the custodian there may also be a delay in the reporting of your Market Value. Please speak to your Financial Advisor if you have any questions. See the Disclosures section of your statement for more information about investment objectives. Please review for accuracy and inform us if your investment objectives change.

ALLOCATION OF HOLDINGS



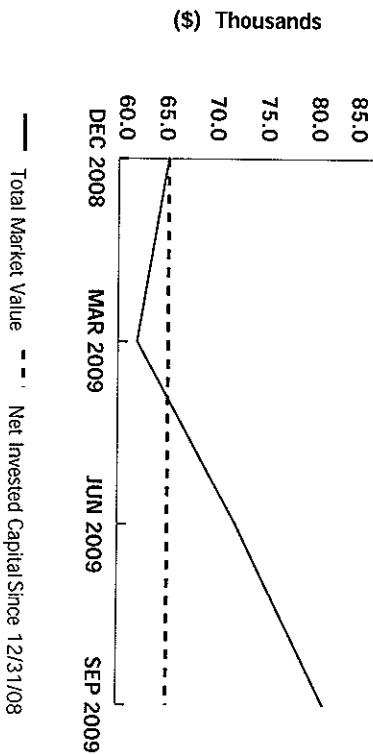
We classify assets based on certain general characteristics such as: income generation, underlying capital structure, or exposure to certain market sectors. As many assets contain characteristics of more than one asset class, the asset classification reflected on this statement may differ from others you may receive. These classifications are not intended to serve as a suitability analysis. * Eligible for FDIC insurance; FDIC rules apply. Not SIPC insured.

MorganStanley
SmithBarney

CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

CHANGE IN VALUE OVER TIME

This graph compares the total value of your account to the net amount invested. Net investment is the total amount invested minus the total amount withdrawn.



	Market Value	Percentage %
Cash, Deposits, MMFs*	\$5,382.03	6.7
Stocks	58,602.40	72.9
Corporate Fixed Income	16,385.00	20.4
TOTAL	\$80,369.43	100.0%

APPROPRIATELY
DISCLOSED

CLIENT STATEMENT | For the Period September 1-30, 2009

Account Summary

MorganStanley
SmithBarney
CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

BALANCE SHEET

	Last Period (as of 8/31/09)	This Period (as of 9/30/09)
NET ASSET VALUE	\$74,301.57	\$80,369.43
ASSETS	\$74,301.57	\$80,369.43
Cash, Deposits, MMFs	5,264.56	5,382.03
Stocks	53,935.01	58,602.40
Municipal Bonds	—	—
Corporate Fixed Income	15,102.00	16,385.00
Government Securities	—	—
Certificates of Deposit	—	—
Mutual Funds	—	—
Unit Investment Trusts	—	—
Annuities & Insurance	—	—
Other	—	—
LIABILITIES (Outstanding Balance)		
There are no liabilities for this account.		

CASH FLOW

	This Year (1/1/09-9/30/09)	This Period (9/1/09-9/30/09)
OPENING CASH BALANCE	\$9,167.93	\$5,264.56
NET CREDITS/DEBITS	—	—
CREDITS		
Electronic Transfers	—	—
Check Deposits	—	—
Other Credits	—	—
DEBITS		
Electronic Transfers	—	—
Interest Charged	—	—
Tax Withholdings	—	—
Other Debits	—	—
NET CASH FROM INVESTMENTS	\$(3,785.90)	\$117.47
Income	1,544.58	117.47
Dividend Reinvestments	(196.02)	—
Purchases	(31,530.75)	—
Sales/Redemptions	26,396.29	—
CLOSING CASH BALANCE	\$5,382.03	\$5,382.03

MorganStanley
SmithBarney

INCOME SUMMARY

Taxable and tax exempt income classifications are based on the characteristics of the underlying securities and not the taxable status of the account.

Account Valuation	2008	2009
Max. Individual Contributions Allowed (by SSN) *	\$64,935.59	\$80,369.43
Contributions	6,000.00	6,000.00
No Contributions For This Account	2008	2009
	—	—

* For IRA accounts, please see the "Additional IRA Information" in the Disclosure section at the end of this statement.

This Year (1/1/09-9/30/09)	Gain/(Loss)
NET REALIZED	\$ (24,827.38)
Gain	34.83
(Loss)	(24,862.21)
This Period (9/1/09-9/30/09)	Gain/(Loss)
NET REALIZED	—
Gain	—
(Loss)	—
NET UNREALIZED (9/30/09)	\$ (16,797.68)
Gain	7,228.87
(Loss)	(24,026.55)

Gain / loss and income information are provided for informational purposes only and should not be used for tax preparation. Please refer to the gain / loss section of the disclosures for important information about gain / loss reporting.

Total Individual Contributions		TOTAL ALLOWABLE	
Max by Social Security Number (SSN)		Under Age 50	Age 50 and over
2008	0.00	\$5,000.00	\$6,000.00
2009	0.00		
CONTRIBUTIONS TO DATE			

CLIENT STATEMENT | For the Period September 1-30, 2009

Holdings

**Morgan Stanley
Smith Barney**
CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

The "Market Value" and "Unrealized Gain/(Loss)" figures shown are representative values as of the last business day of the period shown above which may not reflect the value that could actually be obtained in the market. See "Pricing of Securities" in the Disclosures section at the end of this statement.
Estimated annual income and estimated yield for certain securities can include return of principal or capital gains which could overstate such estimates. Estimated yield and estimated annual income are estimates and the actual income or yield may be lower or higher than the estimates. Estimated yield reflects only the income generated by an investment. It does not reflect changes in its price, which may fluctuate.
Gain / loss information is provided for informational purposes only and should not be used for tax preparation. Please refer to the gain / loss section of the disclosures for important information about gain / loss reporting.

CASH, DEPOSITS AND MONEY MARKET FUNDS

Description	Value	Estimated Annual Income	7-Day Current Yield %	Annual Percentage Yield %
MORGAN STANLEY BANK N.A. #	\$5,382.03	\$5.00	—	0.100
TOTAL CASH, DEPOSITS AND MONEY MARKET FUNDS	6.7%	Market Value \$5,382.03	Estimated Annual Income \$5.00	Estimated Annual Income \$0.00

Bank deposits are at Morgan Stanley Bank, N.A. and Morgan Stanley Trust (Members FDIC), affiliates of Morgan Stanley & Co. Incorporated and Morgan Stanley Smith Barney.
Cash holdings shown exclude cash holdings in custody at another firm for which you receive a separate statement.

STOCKS

COMMON STOCKS

Security Description	Quantity	Total Cost	Share Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
AMERICAN TOWER CP CLASS A (AMT)	75,000	\$3,245.09	\$36.40	\$2,730.00	\$(515.09)	—	—
BAKER HUGHES INC (BHI)	100,000	8,263.08	42.66	4,266.00	(3,997.08)	60.00	1.40
Next Dividend Payable 11/09							
BUFFERED PLUS ON S&P 500 INDEX DUE 6/30/2011 BY JPM (SPECU)	1,000,000	10,000.00	10.62	10,620.00	620.00	—	—
CHESAPEAKE ENERGY CORP (CHK)	200,000	4,675.10	28.40	5,680.00	1,004.90	60.00	1.05
Next Dividend Payable 10/15/09							
GOOGLE INC-CL A (GOOG)	8,000	3,705.68	495.85	3,966.80	261.12	—	—
MOSAIC COMPANY (THE) (MOS)	100,000	10,142.05	48.07	4,807.00	(5,335.05)	20.00	0.41
Next Dividend Payable 11/09							
NORDIC AMERICAN TIMBER SHIPPING (NAT)	200,000	7,947.72	29.58	5,916.00	(2,031.72)	400.00	6.76
Next Dividend Payable 12/09							
ROSETTA STONE INC (RST)	50,000	900.00	22.96	1,148.00	248.00	—	—
SANDISK CORP (SNDK)	100,000	1,918.25	21.70	2,170.00	251.75	—	—

CONTINUED

CLIENT STATEMENT | For the Period September 1-30, 2009

MorganStanley
SmithBarney

Holdings

CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Quantity	Total Cost	Share Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
TARGET CORPORATION (TGT) Next Dividend Payable 12/09	100.000	2,722.00	46.68	4,668.00	1,946.00	68.00	1.45
TENARIS S.A. (TS)	180.000	9,514.83	35.62	6,411.60	(3,103.23)	154.80	2.41
WEATHERFORD INTERNATIONAL LTD (WFT)	300.000	8,373.38	20.73	6,219.00	(2,154.38)	—	—
TOTAL STOCKS	Percentage of Assets % 72.9%	Total Cost \$71,407.18		Market Value \$58,602.40	Unrealized Gain/(Loss) \$(12,804.78)	Estimated Annual Income \$762.80	Yield % 1.30%

CORPORATE FIXED INCOME CORPORATE BONDS

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Unit Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Yield %
CVS CAREMARK CORP FIXED 6.302 FLOAT	19,000.000	\$13,495.25					
THEREAFTER 3MO LIBOR		\$13,495.25	\$85.50	\$16,245.00	\$2,749.75	\$1,197.38	7.37
CUSIP 126650BK5						\$395.80	
Coupon Rate 6.302%; Matures 06/01/62; Int. Semi-Annually Jun/Dec 01; Callable \$100.00 on 06/01/12; Yield to Maturity 7.398%; Floater; Moody BAA3 S&P BBB-; Issued 05/25/07							

FIXED-RATE CAPITAL SECURITIES

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Unit Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Yield %
LEHMAN CAPITAL TRUST IV	400.000	\$6,882.65					
CUSIP 52520B206		\$6,882.65	\$0.35	\$140.00	\$(6,742.65)	—	—
Coupon Rate 6.375%; Matures 10/31/52; Interest Paid at Maturity; Callable \$25.00 on 10/31/09; Moody C							
TOTAL CORPORATE FIXED INCOME	Percentage of Assets % 20.4%	Orig. Total Cost Adj. Total Cost \$20,377.90		Market Value \$16,385.00	Unrealized Gain/(Loss) \$(3,992.90)	Estimated Annual Income \$1,197.38	Yield % 7.31%

APPROPRIATELY
CLASSIFIED

CLIENT STATEMENT | For the Period September 1-30, 2009

MorganStanley
SmithBarney

Holdings

CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
TOTAL ENDING MARKET VALUE	100.0%	\$91,785.08	\$80,369.43	\$(16,797.68)	\$1,965.18 \$395.80	2.44%

PERSONAL
ACCOUNTS

RETIREMENT
ACCOUNTS

EDUCATION
ACCOUNTS

TRUST
ACCOUNTS

BUSINESS
ACCOUNTS

039113 4/6

Y _____ Z

Retirement Account
319-059443-072

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of 12

CLIENT STATEMENT | For the Period September 1-30, 2009

Activity

MorganStanley
SmithBarney
CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

CASH FLOW ACTIVITY

Transaction Settlement		Description	Comments	Quantity	Price	Inflows/(Outflows)
Date	Activity Type					
9/4	Dividend	NORDIC AMERICAN TNRK SHIPPING				\$100.00
9/10	Dividend	TARGET CORPORATION				17.00
9/29	Interest Income	MORGAN STANLEY BANK N.A.				0.47
		(Period 08/29-09/29)				
NET INFLOWS/(OUTFLOWS)						\$117.47

MMF AND BANK DEPOSITS ACTIVITY

Bank Deposit Program		
Money Market Funds		
Date	Activity Type	Description
9/8	Automatic Investment	BANK DEPOSIT PROGRAM
9/11	Automatic Investment	BANK DEPOSIT PROGRAM
9/29	Automatic Investment	BANK DEPOSIT PROGRAM

REALIZED GAIN/(LOSS) DETAIL

Security Description	Date Acquired	Date Sold	Quantity	Sales Proceeds	Orig / Adj Total Cost	Realized Gain/(Loss)	Comments
UNIT VK AEROSPACE DEF&SEC 08-3	07/23/08	01/25/09	598.000	\$200.45	\$200.45	\$0.00	
	07/23/08	08/27/09	598.000	4,601.57	5,719.75	(1,118.18)	
	07/25/09	08/27/09	30.000	230.85	196.02	34.83	
UNIT VK DJ DIVIDEND INDEX 08-1	07/25/08	04/06/09	2.000	7.55	13.71	(6.16)	
UNIT VK EAFE SELECT 20 2008-1	07/14/08	01/25/09	1,356.000	318.31	318.31	0.00	
	03/13/08	01/25/09	1,035.000	242.96	242.96	0.00	
	04/25/08	01/25/09	11.000	2.58	2.58	0.00	
	05/25/08	01/25/09	20.000	4.69	4.69	0.00	
	06/25/08	01/25/09	32.000	7.51	7.51	0.00	
	07/25/08	01/25/09	20.000	4.69	4.69	0.00	
	08/25/08	01/25/09	9.000	2.11	2.11	0.00	
	09/25/08	01/25/09	20.000	4.69	4.69	0.00	
	10/25/08	01/25/09	29.000	6.82	6.82	0.00	
	01/14/08	04/06/09	1,356.000	3,865.19	12,389.33	(8,524.14)	
	03/13/08	04/06/09	1,035.000	2,950.20	8,818.58	(5,868.38)	
	04/25/08	04/06/09	11.000	31.35	94.92	(63.57)	
	05/25/08	04/06/09	20.000	57.01	167.66	(110.65)	

CONTINUED

ALOPRNDHIBK
ABCDDEBLL

CLIENT STATEMENT | For the Period September 1 - 30, 2009

MorganStanley
SmithBarney

Activity

CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

REALIZED GAIN/(LOSS) DETAIL (CONTINUED)

Security Description	Date		Quantity	Sales		Orig / Adj Total Cost	Realized Gain/(Loss)	Comments
	Acquired	Sold		Proceeds				
UNIT VK SELECT 10 INDUS 2007-6	06/25/08	04/06/09	32.000	91.21		226.33	(135.12)	
	07/25/08	04/06/09	20.000	57.01		133.06	(76.05)	
	08/25/08	04/06/09	9.000	25.65		54.16	(28.51)	
	09/25/08	04/06/09	20.000	57.01		119.12	(62.11)	
	10/25/08	04/06/09	29.000	82.66		103.08	(20.42)	
	11/05/07	01/06/09	1,717.000	9,364.40		16,644.60	(7,280.20)	
	12/25/07	01/06/09	6.000	32.72		53.42	(20.70)	
	01/25/08	01/06/09	3.000	16.36		24.81	(8.45)	
	02/25/08	01/06/09	6.000	32.72		50.30	(17.58)	
	03/25/08	01/06/09	5.000	27.27		39.93	(12.66)	
WILLIAMS CO INC	04/25/08	01/06/09	4.000	21.82		33.28	(11.46)	
	05/25/08	01/06/09	7.000	38.18		56.63	(18.45)	
	06/25/08	01/06/09	8.000	43.63		58.80	(15.17)	
	07/25/08	01/06/09	3.000	16.36		22.17	(5.81)	
	08/25/08	01/06/09	6.000	32.72		43.26	(10.54)	
	09/25/08	01/06/09	4.000	21.82		28.55	(6.73)	
	07/26/05	08/18/09	200.000	3,116.96		4,270.94	(1,153.98)	
	07/26/05	08/18/09	50.000	779.24		1,066.43	(287.19)	
Net Realized Gain/(Loss) This Period				\$0.00		\$0.00	\$0.00	
Net Realized Gain/(Loss) Year to Date				\$26,396.27		\$51,223.65	\$(24,827.38)	

Gain / loss information is provided for informational purposes only and should not be used for tax preparation. Please refer to the gain / loss section of the disclosures for important information about gain / loss reporting.

PERSONAL ACCOUNTS RETIREMENT ACCOUNTS EDUCATION ACCOUNTS TRUST ACCOUNTS BUSINESS ACCOUNTS

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Y _____ Z

Retirement Account
319-059443-072

CLIENT STATEMENT | For the Period September 1-30, 2009

Messages

MorganStanley
SmithBarney

CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

UIGEA Disclosure Notification for Existing Commercial Customers

This Notice is to inform you of your responsibilities under the Unlawful Internet Gambling Enforcement Act ("the Act"), which becomes effective December 1, 2009. Under the Act, neither you nor any other person who has an ownership interest in or authority over your account may use it to process or facilitate payments for restricted Internet gambling transactions. For additional information regarding your responsibilities under the Act, including the types of transactions that may be restricted or prohibited by law, please refer to: <http://www.federalreserve.gov/newsevents/press/bcreg/bcreg20081112a1.pdf>

TLGP Debt: Temporary Liquidity Guarantee Program Debt

Bonds issued under the FDIC's Temporary Liquidity Guarantee Program (TLGP) are backed by the full faith and credit of the United States through the earlier of the maturity date of the debt or June 30, 2012 for securities issued prior to April 1, 2009, and the earlier of the maturity date of the debt or December 31, 2012 for securities issued on or after April 1, 2009. For more information visit www.fdic.gov/tlgp. Guarantees do not eliminate market risk.

Important Information About 2009 Required Minimum Distributions (RMDs)

The Worker, Retiree and Employer Recovery Act of 2008 suspends calendar year 2009 Required Minimum Distributions (RMDs) for Traditional, Rollover, SEP, SAR-SEP, SIMPLE, Inherited Traditional and Inherited Roth IRA accounts. If you have scheduled periodic payments or AUTO-RMD payments, you will continue to receive your distributions as usual unless you request a change. If you choose not to take a 2009 RMD,

please contact your Financial Advisor immediately to suspend your standing instructions.

Questions?

Questions regarding your account may be directed to either your Financial Advisor or the Branch Manager for the branch office where you maintain your account. If you require further assistance, your inquiries may also be directed to Client Service at (800) 869-3326 or you may contact the Legal and Compliance Division at (914) 225-5870 with any account-related concerns.

Asset Classification

We classify the assets on your statement based on certain general characteristics, such as: income generation, underlying capital structure, or exposure to certain market sectors. Asset classification decisions are often influenced by marketplace conventions and are designed to be informative and provide clients with a particular, non-exclusive, view of their portfolio. As many assets contain characteristics of more than one asset class, the asset classification reflected on this statement may differ from others you may receive. These classifications are not intended to serve as a suitability analysis. Please contact your Financial Advisor for more information.

Important Information About Auction Rate Securities

The following message has been added to all client account statements but applies only to holders of Auction Rate Securities. Depending on your current holdings, this message may/may not be applicable to you.

Please note due to recent market conditions, certain Auction Rate Securities are experiencing no or limited liquidity. Therefore, the price(s) for any Auction Rate Securities shown on this statement may not reflect the price(s) you would receive upon a sale at auction or in a secondary market

transaction. There can be no assurance that a successful auction will occur or that a secondary market exists or will develop for a particular security. The prices of any Auction Rate Securities on your statement are derived from various sources, and may differ from prices provided to Morgan Stanley & Co. Incorporated by outside pricing services and/or from Morgan Stanley & Co. Incorporated's own internal bookkeeping valuations. Please contact your Financial Advisor with any questions. To learn more about Auction Rate Securities, including information about the partial redemption allocations process, log on to ClientServ for more details. To enroll in ClientServ, go to www.morganstanleyclientserv.com/welcome.

ALPBPENHBMGK
AEPHBOBOKK
DBEBBIBLCLDL

CLIENT STATEMENT | For the Period September 1-30, 2009

Disclosure

MorganStanley
SmithBarney
CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

Account Servicing

Account(s) carried with Morgan Stanley & Co. Incorporated ("Morgan Stanley"), member SIPC. New York Stock Exchange Rule 382 requires that Morgan Stanley Smith Barney LLC ("MSSB") and Morgan Stanley allocate between them certain functions regarding the administration of your brokerage account. A more complete description is available upon request.

Account Valuation

These figures represent the approximate value of your account(s) on a settlement date basis and are computed by adding (1) the market value of all priced positions and (2) market values provided by pricing services and correspondent custodians for other positions, and by adding any credit or subtracting any debit to your closing cash, money market funds and/or deposit balance. Please note, this valuation may be adjusted for the net change in priced asset values for securities held or for the net change in money market balances during the settlement period. Your closing cash, money market fund and/or deposit balance represents the cash, money market funds and/or deposits and reflects the net month end balance. Global Currency Deposits are reflected in U.S. dollars as of the statement end date. The Annual Percentage Yield ("APY") for deposits represents the applicable rate in effect for your deposits at the statement ending date. This APY may be different than the APY that was in effect during the statement period. For current Bank Deposit or Money Market Fund yields, go to <http://www.morganstanleyindividual.com/AccountOptions/ActiveAssets/InvestmentFeatures>

Additional IRA Information

IRA contributions are subject to IRS eligibility rules and regulations. The "Max. Individual Contributions Allowed (by SSN)" reflects the annual limit on contributions that you as an individual can make to

IRAs (Traditional, Roth, SEP, and SARSEP) under the Internal Revenue Code. The limit applies on a per person basis, not per account. The Contributions information included in this statement reflects contribution information for a particular account, without reference to any other IRA.

You cannot make an individual contribution to a Traditional IRA for the year in which you attain age 70 1/2 or any later year. You should check with your tax advisor to verify how much you can contribute and whether or not the contribution will be tax deductible.

The categorization of any amounts in this statement as Individual Deductible or Individual Non-Deductible is based upon information provided by you, and is included for your convenience. Please contact your Financial Advisor if this information is incorrect. The information included in this statement is not intended to constitute tax, legal or accounting advice.

Availability of Free Credit Balances and Financial Statements

Under the customer protection rules of the SEC [17 CFR §240.15c3-2 & -3], Morgan Stanley may use free credit balances in your account which are payable to you on demand, in the ordinary course of its business. We provide summary Morgan Stanley financial statements to you semiannually; copies are also available on request, by mail.

Certain Assets Not Held At Morgan Stanley

You may purchase certain assets through MSSB and/or Morgan Stanley that may be held at a financial institution other than Morgan Stanley. Assets not held at Morgan Stanley may not be covered by SIPC protection. We may include information about these assets on this statement, solely as a service to you and are not responsible for

information (including valuation) derived from you or another external source. Generally, any financial institution that holds securities is responsible for providing taxable year-end reporting (1099s) and separate periodic statements, which may vary from our information due to different tax reporting periods. In the case of Morgan Stanley, Van Kampen and external networked mutual funds, Morgan Stanley performs all year-end tax reporting (1099s). Under certain circumstances, such as IRA accounts, Morgan Stanley performs all tax reporting.

Errors and Inquiries

If you do not understand an entry on this statement or suspect an error was made, it is essential that you immediately contact the manager of the MSSB office servicing your account and Morgan Stanley. You may contact Morgan Stanley at 212-276-6760. Oral communications with MSSB and/or Morgan Stanley regarding any inaccuracy or discrepancy in this statement should be re-confirmed in writing to further protect your rights, including rights under the Securities Investor Protection Act (SIPA). We will consider your statement to be correct unless we receive a written inquiry from you about the suspected error within 10 calendar days from the day on which you received your statement. It is your responsibility to review your statement promptly and to seek immediate clarification about entries that you do not understand.

Gain and Loss Information

The gain and loss information is provided for informational purposes only, is not a substitute 1099 form (or any other appropriate tax form), and should not be used for tax preparation. Unrealized gain and loss values are estimates and should be independently verified. We recommend that you contact your tax advisor to determine the appropriate use of this information. Past performance does not guarantee future returns.

Gain and loss information is calculated based upon uniform standards and does not account for each individual client's particular circumstances such as the existence of hedging transactions or constructive sales. Although we make every effort to adjust the cost basis for securities' capital changes, we do not adjust the cost basis for all events. Contact your Financial Advisor for guidance on particular questions.

For accounts with Choice Select pricing, the commissions paid on your eligible equity and option purchases and sales are applied to the Total Cost on a quarterly basis.

With respect to estimated gains and losses for listed equity options, we have taken into account option premiums paid or received and, in respect to multiple purchases and/or sales, calculated cost using an average unit price for all like positions. We are not responsible for any gain and loss information provided by you or another financial institution; you are responsible for ensuring the accuracy of such information. Whether provided by you, another financial institution or MSSB, it is your responsibility to ensure the accuracy of all of the Estimated Gain and Loss information.

For clients wishing to make versus purchase sales that information needs to be conveyed at the time of the sale. Unless you tell us otherwise, we use first in first out (FIFO) accounting.

Listed Options

Information with respect to commissions and other charges related to the execution of options transactions has been included in confirmations of such transactions previously furnished to you and such information will be made available to you promptly at your request.

Margin Interest Charges

Morgan Stanley calculates interest charges on

CLIENT STATEMENT | For the Period September 1-30, 2009

Disclosure (CONTINUED)

CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

MorganStanley
SmithBarney

margin loans as follows:

- (1) Multiply the applicable margin interest rate by the daily close of business net settled debit balance.
- (2) Divide by 360 (days).

Margin interest accrues daily throughout the month and is added to your debit balance at month-end. The month-end interest charge is the sum of the daily accrued interest calculations for the month. Morgan Stanley adds the accrued interest to your debit balance and starts a new calculation each time the applicable interest rate changes and at the close of every statement month. For current margin loan interest rates, please go to <http://www.morganstanleyindividual.com/customersevice/disclosures/#4>

Margin Privileges (not available for certain accounts such as IRAs or retirement accounts)

If you have margin privileges, you may borrow money from Morgan Stanley in exchange for pledging assets in your accounts as collateral for any outstanding margin loan. The amount you may borrow is based on the value of the eligible securities in your margin accounts. If a security has eligible shares, the number of shares pledged as collateral will be indicated below the position.

Money Market Pricing

An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at \$1.00 per share, there can be no assurance that will occur and it is possible to lose money should the fund value per share fall. Moreover, in some circumstances money market funds may be forced to cease operations when the value of a fund drops below \$1.00 per share. In that event, the fund's holdings would be liquidated and distributed to the

fund's shareholders. This liquidation process could take up to one month or more. During that time, these funds would not be available to you to support purchases, withdrawals, and if applicable, check writing or ATM debits from your account.

Pricing of Securities

The prices of securities displayed on this statement are derived from various sources and in some cases may be higher or lower than the price that you would actually receive in the market. Although we attempt to use reliable sources of information, we can offer no assurance as to its accuracy. For securities listed on an exchange or trading continuously in an active marketplace the price reflects the market quotations at the close of your statement period. The prices of securities not actively traded may not be available. These are indicated by N/A (not available). For securities that trade less frequently, we rely on outside pricing services and / or computerized pricing models, which cannot always give us actual market values. Some annuity values provided by outside sponsors are estimates. The amounts on this statement for limited partnerships are typically obtained from a third party or from the general partners unless we have obtained other information such as an independent appraisal. Since many partnership valuations are provided only annually, they do not always represent current values.

Furthermore some securities, such as limited partnerships and non-traded REITs are illiquid and have no public markets, so the amounts shown on this statement may not equal the amounts you would receive if you sold your investment. The value of mutual fund shares is determined by multiplying the net asset value (NAV) by the number of shares or units held, as reported to Morgan Stanley by the correspondent custodian. If we cannot

obtain a price or estimate, N/A appears. Speak to your Financial Advisor to obtain current information concerning the prices on your statements.

Security Measures

This statement features several embedded security elements to safeguard its authenticity. One is a unique security mark--a blue rectangle printed in heat-sensitive ink on the back side of every page. When exposed to warmth, the blue rectangle will disappear, and then reappear.

SIPC Protection

Securities and cash held in your MSSB account(s) are protected by a combination of coverage provided by the Securities Investor Protection Corporation (SIPC), a non-profit organization created by an Act of Congress, and additional protection purchased from a private insurer by Morgan Stanley (the Excess Coverage). SIPC protects up to \$500,000 of each client's securities, of which up to \$100,000 may be uninvested cash. SIPC and Excess Coverage apply only to securities and cash in the exclusive possession and control of Morgan Stanley and do not protect against losses due to market fluctuations. Detailed information is available upon request.

Taxes

Under Federal Income Tax law, Morgan Stanley is required to report the gross proceeds of sales transactions (including entering into short sales) to you on Form 1099-B by February 15 of the year following the calendar year of the transaction. The information reported on your Form 1099-B for the calendar year should be exclusively relied upon for the purpose of filing your tax return for the year. Under U.S. Internal Revenue Service regulations, if you have not provided us with certification of either U.S. or foreign status on an appropriate Form W-9

or W-8, your accounts may be subject to either 28% back up withholding or 30% nonresident alien withholding, as applicable, on payments made to your accounts.

Total Income (This Year/This Period)

Total income as used in, the income summaries, represents dividends and/or interest on securities we receive on your behalf and credit to your account(s) during the calendar year. We report dividend distributions and taxable bond interest credited to your account to the Internal Revenue Service. The totals we report may differ from those indicated as "This Year" figures on the last statement for the calendar year. In the case of Real Estate Investment Trusts (REITs), Master Limited Partnerships, Regulated Investment Companies and Unit Investment Trusts, some sponsors may reclassify the distribution to a different tax type for year-end reporting (1099).

Transaction Dates and Transaction Conditions

All transactions list transaction date and settlement date. Transactions are included on this statement based on settlement date. In the case of unsettled trades, we list the trade based on trade date instead of the settlement date with a notation that the trade is unsettled. Unsettled trades will not be reflected in position and cash balances.

Upon written request, MSSB will furnish the date and time of a transaction and the name of the other party to a transaction.

MSSB and/or its affiliates may accept benefits that constitute payment for order flow. Details regarding these benefits and the source and amount of any other remuneration received or to be received by us in connection with any transaction will be furnished upon written request.

ALOPREMIERBANK
BEECHER
DECEMBER 2009

CLIENT STATEMENT | For the Period December 1-31, 2009

MorganStanley SmithBarney

#BWNUGWM

CAROL BRAUNWARTH
16769 BAYWOOD TERRACE
EDEN PRAIRIE MN 55346-2423

Your Branch

8300 NORMAN CENTER DR. STE 1150
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Alt. Phone: 800-927-1990
Fax: 952-921-1944

Client Interaction Center

800-844-6119
Mon-Fri 8 AM - 8 PM ET
Sat-Sun Closed

Access your accounts online

www.morganstanley.com/online

Investments and services offered through Morgan Stanley Smith Barney LLC, and accounts carried by Morgan Stanley & Co. Incorporated, members SIPC.

TOTAL VALUE LAST PERIOD (as of 11/30/09)	\$80,718.21
NET CONTRIBUTIONS/WITHDRAWALS	—
PORTFOLIO INCOME & APPRECIATION	3,923.99
TOTAL VALUE OF YOUR ACCOUNT (as of 12/31/09)	\$84,642.20

Your Financial Advisor Team

The Johnson ~ Halabrin Group
952-841-6454

Your Financial Advisors

Mark Johnson
Senior Vice President
Mark.L.Johnson@morganstanley.com
952 841-6446

Judith Halabrin
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Debbie McKinney
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952 841-6454

CLIENT STATEMENT | For the Period December 1-31, 2009

Account Summary

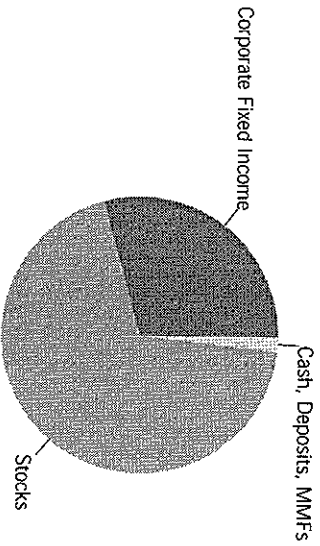
Brokerage Account
TRADITIONAL IRA
Householding Anniversary Date: 11/14/02
Investment Objectives: Income, Aggressive Income, Capital Appreciation, Speculation

CHANGE IN VALUE OF YOUR ACCOUNTS

	This Year (1/1/09-12/31/09)	This Period (12/1/09-12/31/09)
Total Beginning Market Value	\$64,935.59	\$80,718.21
Contributions	—	—
Withdrawals	—	—
Security Transfers	—	—
Net Contributions/Withdrawals	—	—
Portfolio Income	2,393.10	812.64
Net Portfolio Appreciation	17,313.51	3,111.35
Total Ending Market Value	\$84,642.20	\$84,642.20

This exhibit may not include transactions for investments in Annuities or where Morgan Stanley & Co. Incorporated is not the custodian. This may affect the reported Net Invested Capital. If we are not the custodian there may also be a delay in the reporting of your Market Value. Please speak to your Financial Advisor if you have any questions. See the Disclosures section of your statement for more information about investment objectives. Please review for accuracy and inform us if your investment objectives change.

ALLOCATION OF HOLDINGS



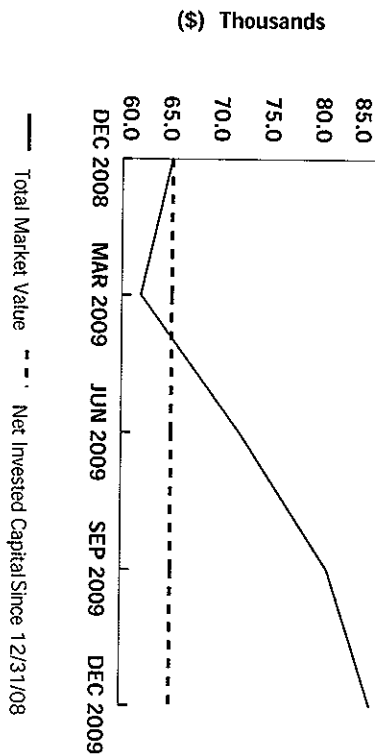
We classify assets based on certain general characteristics such as: income generation, underlying capital structure, or exposure to certain market sectors. As many assets contain characteristics of more than one asset class, the asset classification reflected on this statement may differ from others you may receive. These classifications are not intended to serve as a suitability analysis. * Eligible for FDIC insurance; FDIC rules apply. Not SIPC insured.

MorganStanley
SmithBarney

CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

CHANGE IN VALUE OVER TIME

This graph compares the total value of your account to the net amount invested. Net investment is the total amount invested minus the total amount withdrawn.



	Market Value	Percentage %
Cash, Deposits, MMFs*	\$1,542.11	1.8
Stocks	58,312.59	68.9
Corporate Fixed Income	24,787.50	29.3
TOTAL	\$84,642.20	100.0%

CLIENT STATEMENT | For the Period December 1-31, 2009

Account Summary

MorganStanley
SmithBarney
CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

BALANCE SHEET

	Last Period (as of 11/30/09)	This Period (as of 12/31/09)
NET ASSET VALUE	\$80,718.21	\$84,642.20
ASSETS	\$80,718.21	\$84,642.20
Cash, Deposits, MMFs	5,417.91	1,542.11
Stocks	58,852.30	58,312.59
Municipal Bonds	—	—
Corporate Fixed Income	16,448.00	24,787.50
Government Securities	—	—
Certificates of Deposit	—	—
Mutual Funds	—	—
Unit Investment Trusts	—	—
Annuities & Insurance	—	—
Other	—	—
LIABILITIES (Outstanding Balance)		
<i>There are no liabilities for this account.</i>		

CASH FLOW

	This Year (11/09-12/31/09)	This Period (12/1/09-12/31/09)
OPENING CASH BALANCE	\$9,167.93	\$5,417.91
NET CREDITS/DEBITS	—	—
CREDITS		
Electronic Transfers	—	—
Check Deposits	—	—
Other Credits	—	—
DEBITS		
Electronic Transfers	—	—
Interest Charged	—	—
Tax Withholdings	—	—
Other Debits	—	—
NET CASH FROM INVESTMENTS	\$17,625.82	\$13,875.80
Income	2,393.10	812.64
Dividend Reinvestments	(196.02)	—
Purchases	(39,813.22)	(8,282.47)
Sales/Redemptions	29,990.32	3,594.03
CLOSING CASH BALANCE	\$1,542.11	\$1,542.11

PERSONAL ACCOUNTS RETIREMENT ACCOUNTS EDUCATION ACCOUNTS TRUST ACCOUNTS BUSINESS ACCOUNTS

CLIENT STATEMENT | For the Period December 1-31, 2009

Account Summary

MorganStanley
SmithBarney
CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

INCOME SUMMARY

	This Year (1/1/09-12/31/09)	This Period (12/1/09-12/31/09)
TOTAL INCOME	\$2,393.10	\$812.64
TAXABLE INCOME	2,393.10	812.64
Dividends	1,180.95	213.80
Capital Gain Distributions	—	—
Interest	1,212.15	598.84
Other Income	—	—
TAX-EXEMPT INCOME	—	—
Dividends	—	—
Interest	—	—

Taxable and tax exempt income classifications are based on the characteristics of the underlying securities and not the taxable status of the account.

RETIREMENT RECAP

	2008	2009
Fair Market Value	\$64,935.59	\$84,642.20
Max. Individual Contributions Allowed (by SSN)*	6,000.00	6,000.00
Contributions	2008	2009
No Contributions For This Account	—	—

For IRS-related fair market value requirements, please see the "Fair Market Value - Form 5498" in the Messages section.

* For IRA accounts, please see the "Additional IRA Information" in the Disclosure section at the end of this statement.

GAIN/(LOSS) SUMMARY

	This Year (1/1/09-12/31/09)	Gain/(Loss)
NET REALIZED	\$25,990.77	
Gain	34.83	
(Loss)	(26,025.60)	
This Period (12/1/09-12/31/09)	Gain/(Loss)	
NET REALIZED	\$(1,163.39)	
Gain	—	
(Loss)	(1,163.39)	
NET UNREALIZED (12/31/09)	\$(12,182.83)	
Gain	8,857.81	
(Loss)	(21,040.64)	

Gain / loss and income information are provided for informational purposes only and should not be used for tax preparation. Please refer to the gain / loss section of the disclosures for important information about gain / loss reporting.

Total Individual Contributions

Max by Social Security Number (SSN)	TOTAL ALLOWABLE
	Under Age 50 Age 50 and over
2008	0.00
2009	0.00

CONTRIBUTIONS TO DATE

CLIENT STATEMENT | For the Period December 1-31, 2009

MorganStanley
SmithBarney

CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

Holdings

The "Market Value" and "Unrealized Gain/(Loss)" figures shown are representative values as of the last business day of the period shown above which may not reflect the value that could actually be obtained in the market. See "Pricing of Securities" in the Disclosures section at the end of this statement. Estimated annual income and estimated yield for certain securities can include return of principal or capital gains which could overstate such estimates. Estimated yield and estimated annual income are estimates and the actual income or yield may be lower or higher than the estimates. Estimated yield reflects only the income generated by an investment. It does not reflect changes in its price, which may fluctuate. If you hold structured products, please refer to the Special Considerations Regarding Structured Products section of the Disclosure section. Gain / loss information is provided for informational purposes only and should not be used for tax preparation. Please refer to the gain / loss section of the disclosures for important information about gain / loss reporting.

CASH, DEPOSITS AND MONEY MARKET FUNDS

Description	Value	Estimated Annual Income	7-Day Current Yield %	Annual Percentage Yield %
MORGAN STANLEY BANK N.A. #	\$1,542.11	\$2.00	—	0.100
TOTAL CASH, DEPOSITS AND MONEY MARKET FUNDS	1.8%	Market Value \$1,542.11		Estimated Annual Income Accrued Income \$2.00 \$0.00

Bank deposits are at Morgan Stanley Bank, N.A. and Morgan Stanley Trust (Members FDIC), affiliates of Morgan Stanley & Co. Incorporated and Morgan Stanley Smith Barney. Cash holdings shown exclude cash holdings in custody at another firm for which you receive a separate statement.

STOCKS

COMMON STOCKS

Security Description	Quantity	Total Cost	Share Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
AMERICAN TOWER CP CLASS A (AMT)	75,000	\$3,245.09	\$43.21	\$3,240.75	\$(4.34)	—	—
BAKER HUGHES INC (BHI)	100,000	8,263.08	40.48	4,048.00	(4,215.08)	60.00	1.48
Next Dividend Payable 02/10							
BUFFERED PLUS ON S&P 500 INDEX DUE 6/30/2011 BY JPM (SPECU)	1,000,000	10,000.00	11.07	11,070.00	1,070.00	—	—
CHESAPEAKE ENERGY CORP (CHK)	200,000	4,675.10	25.88	5,176.00	500.90	60.00	1.15
Next Dividend Payable 01/15/10							
GOOGLE INC-CL A (GOOG)	8,000	3,705.68	619.98	4,959.84	1,254.16	—	—
MOSAIC COMPANY (THE) (MOS)	100,000	10,142.05	59.73	5,973.00	(4,169.05)	20.00	0.33
Next Dividend Payable 02/10							
NORDIC AMERICAN TNR SHIPPING (MAT)	200,000	7,947.72	30.00	6,000.00	(1,947.72)	80.00	1.33
Next Dividend Payable 03/10							
ROSETTA STONE INC (RST)	50,000	900.00	17.95	897.50	(2.50)	—	—

CONTINUED

PERSONAL ACCOUNTS RETIREMENT ACCOUNTS EDUCATION ACCOUNTS TRUST ACCOUNTS BUSINESS ACCOUNTS

CLIENT STATEMENT | For the Period December 1-31, 2009

MorganStanley
SmithBarney

Holdings

CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Quantity	Total Cost	Share Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
SANDISK CORP (SNDK)	100.000	1,918.25	28.99	2,899.00	980.75	—	—
TARGET CORPORATION (TGT) Next Dividend Payable 03/10	100.000	2,722.00	48.37	4,837.00	2,115.00	68.00	1.40
TENARIS S.A. (TS)	90.000	4,757.42	42.65	3,838.50	(918.92)	77.40	2.01
WEATHERFORD INTERNATIONAL LTD (WFT)	300.000	8,373.38	17.91	5,373.00	(3,000.38)	—	—
TOTAL STOCKS	68.9%	\$66,649.77		\$58,312.59	\$(8,337.18)	\$365.40	0.63%

CORPORATE FIXED INCOME

CORPORATE BONDS

Security Description	Face Value	Orig. Total Cost	Unit Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Yield %
CVS CAREMARK CORP FIXED 6.302 FLOAT THEREAFTER 3MO LIBOR CUSIP 126650BK5	19,000.000	\$13,495.25	\$86.25	\$16,387.50	\$2,892.25	\$1,197.38	7.30
Coupon Rate 6.302%; Matures 06/01/12; Int. Semi-Annually Jun/Dec 01; Callable \$100.00 on 06/01/12; Yield to Maturity 7.333%; Floater; Moody BAA3							
LINCOLN NATL CORP IND 7.0% FIX ED TO 5/16 FLOATS THEREAFTER CUSIP 534187AS8	10,000.000	8,255.25	83.00	8,300.00	44.75	700.00	8.43
Coupon Rate 7.000%; Matures 05/17/16; Int. Semi-Annually May/Nov 17; Yield to Maturity 8.449%; Floater; Moody BA1							
TOTAL CORPORATE BONDS		\$21,750.50		\$24,687.50	\$2,937.00	\$1,897.38	7.69%
		\$21,750.50				\$185.33	

FIXED-RATE CAPITAL SECURITIES

Security Description	Face Value	Orig. Total Cost	Unit Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Yield %
LEHMAN CAPITAL TRUST IV CUSIP 52520B206	400.000	\$6,882.65	\$0.25	\$100.00	\$(6,782.65)	—	—
Coupon Rate 6.375%; Matures 10/31/52; Interest Paid at Maturity; Callable \$25.00 on 01/31/10; Moody C							

CLIENT STATEMENT | For the Period December 1-31, 2009

MorganStanley
SmithBarney

Holdings

CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

	Percentage of Assets %	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
TOTAL CORPORATE FIXED INCOME	29.3%	\$28,633.15 \$28,633.15	\$24,787.50	\$(3,845.65)	\$1,897.38 \$185.33	7.66%
TOTAL ENDING MARKET VALUE	100.0%	\$95,282.92	\$84,642.20	\$(12,182.83)	\$2,264.78 \$185.33	2.68%

PERSONAL
ACCOUNTS

RETIREMENT
ACCOUNTS

EDUCATION
ACCOUNTS

TRUST
ACCOUNTS

BUSINESS
ACCOUNTS

Retirement Account
332-109009-332

CLIENT STATEMENT | For the Period December 1-31, 2009

MorganStanley
SmithBarney

Activity

CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

CASH FLOW ACTIVITY

Transaction Settlement							
Date	Date	Activity Type	Description	Comments	Quantity	Price	Inflows/(Outflows)
11/25	12/1	Sold	TENARIS S.A.	PREFERENTIAL RATE CLIENT LONG IN ACCOUNT	90.000	\$41.3100	\$3,594.03
11/25	12/1	Bought	LINCOLN NATL CORP 7000 66MY17	ACCRUED INTEREST 27.22	10,000.000	82.5000	(8,282.47)
12/1	12/1	Interest Income	CVS CAREMARK CORP 6302 *62JND1				598.69
12/3	12/3	Dividend	MOSAIC COMPANY (THE)				130.00
12/4	12/4	Dividend	TENARIS S.A.				46.80
12/4	12/4	Dividend	NORDIC AMERICAN INKR SHIPPING				20.00
12/10	12/10	Dividend	TARGET CORPORATION				17.00
12/30	12/30	Interest Income	MORGAN STANLEY BANK N.A.				0.15
			(Period 11/28-12/30)				
NET INFLOWS/(OUTFLOWS)							\$/3,875.80)

Purchase and Sale transactions above may have received an average price execution. Details regarding the actual prices are available upon request.

MMF AND BANK DEPOSITS ACTIVITY

Date	Activity Type	Description	Bank Deposit Program/ Money Market Funds
12/2	Automatic Investment	BANK DEPOSIT PROGRAM	\$598.69
12/4	Automatic Investment	BANK DEPOSIT PROGRAM	130.00
12/7	Automatic Investment	BANK DEPOSIT PROGRAM	66.80
12/11	Automatic Investment	BANK DEPOSIT PROGRAM	17.00
12/30	Automatic Investment	BANK DEPOSIT PROGRAM	0.15
NET ACTIVITY FOR PERIOD			
\$812.64			

REALIZED GAIN/(LOSS) DETAIL

Security Description	Date Acquired	Date Sold	Quantity	Sales Proceeds	Orig / Adj Total Cost	Realized Gain/(Loss)	Comments
TENARIS S.A.	09/25/07	11/25/09	90.000	\$3,594.03	\$4,757.42	\$(1,163.39)	
UNIT VK AEROSPACE DEF&SEC 08-3	07/23/08	01/25/09	598.000	200.45	200.45	0.00	
	07/23/08	08/27/09	598.000	4,601.57	5,719.75	(1,118.18)	
	01/25/09	08/27/09	30.000	230.85	196.02	34.83	
UNIT VK DJ DIVIDEND INDEX 08-1	07/25/08	04/06/09	2.000	7.55	13.71	(6.16)	
UNIT VK EAFE SELECT 20 2008-1	01/14/08	01/25/09	1,356.000	318.31	318.31	0.00	
	03/13/08	01/25/09	1,035.000	242.96	242.96	0.00	

CONTINUED

CLIENT STATEMENT | For the Period December 1-31, 2009

MorganStanley
SmithBarney

Activity

CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

REALIZED GAIN/(LOSS) DETAIL (CONTINUED)

Security Description	Date		Quantity	Sales		Orig / Adj Total Cost	Realized Gain/(Loss)	Comments
	Acquired	Sold		Proceeds				
UNIT VK SELECT 10 INDUS 2007-6	04/25/08	01/25/09	11,000	2.58		2.58	0.00	
	05/25/08	01/25/09	20,000	4.69		4.69	0.00	
	06/25/08	01/25/09	32,000	7.51		7.51	0.00	
	07/25/08	01/25/09	20,000	4.69		4.69	0.00	
	08/25/08	01/25/09	9,000	2.11		2.11	0.00	
	09/25/08	01/25/09	20,000	4.69		4.69	0.00	
	10/25/08	01/25/09	29,000	6.82		6.82	0.00	
	01/14/08	04/06/09	1,356,000	3,865.19		12,389.33	(8,524.14)	
	03/13/08	04/06/09	1,035,000	2,950.20		8,818.58	(5,868.38)	
	04/25/08	04/06/09	11,000	31.35		94.92	(63.57)	
	05/25/08	04/06/09	20,000	57.01		167.66	(110.65)	
	06/25/08	04/06/09	32,000	91.21		226.33	(135.12)	
	07/25/08	04/06/09	20,000	57.01		133.06	(76.05)	
	08/25/08	04/06/09	9,000	25.65		54.16	(28.51)	
	09/25/08	04/06/09	20,000	57.01		119.12	(62.11)	
	10/25/08	04/06/09	29,000	82.66		103.08	(20.42)	
WILLIAMS CO INC	11/05/07	01/06/09	1,717,000	9,364.40		16,644.60	(7,280.20)	
	12/25/07	01/06/09	6,000	32.72		53.42	(20.70)	
	01/25/08	01/06/09	3,000	16.36		24.81	(8.45)	
	02/25/08	01/06/09	6,000	32.72		50.30	(17.58)	
	03/25/08	01/06/09	5,000	27.27		39.93	(12.66)	
	04/25/08	01/06/09	4,000	21.82		33.28	(11.46)	
	05/25/08	01/06/09	7,000	38.18		56.63	(18.45)	
	06/25/08	01/06/09	8,000	43.63		58.80	(15.17)	
	07/25/08	01/06/09	3,000	16.36		22.17	(5.81)	
	08/25/08	01/06/09	6,000	32.72		43.26	(10.54)	
	09/25/08	01/06/09	4,000	21.82		28.55	(6.73)	
	07/26/05	08/18/09	200,000	3,116.96		4,270.94	(1,153.98)	
	07/26/05	08/18/09	50,000	779.24		1,066.43	(287.19)	
Net Realized Gain/(Loss) This Period				\$3,594.03		\$4,757.42	\$(1,163.39)	
Net Realized Gain/(Loss) Year to Date				\$29,990.30		\$55,981.07	\$(25,990.77)	

Gain / loss information is provided for informational purposes only and should not be used for tax preparation. Please refer to the gain / loss section of the disclosures for important information about gain / loss reporting.

MorganStanley
SmithBarney

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CLIENT STATEMENT | For the Period December 1-31, 2009

Messages

MorganStanley
SmithBarney

CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

Production timeline of Forms 1099/Year End Summary

As a reminder the filing deadline for Broker/Dealers is February 16th (due to February 15th being a Holiday). This year's Forms 1099/Year End Summary mailing will commence on or about February 5th, and is tentatively scheduled to complete by February 16th.

FINRA BrokerCheck

FINRA has established the public disclosure program, known as BrokerCheck, to provide certain information regarding the disciplinary history of FINRA members and their associated persons. The BrokerCheck Hotline Number is 1-800-289-9999. The FINRA web site address is www.finra.org. An investor brochure that includes information describing FINRA BrokerCheck may be obtained from FINRA.

The Unlimited FDIC Program Has Been Extended To June 30, 2010

Morgan Stanley Bank, N.A. and Morgan Stanley Trust (the "Sweep Banks") are participating in the extension of the FDIC's Transaction Account Guarantee Program ("TAGP") through June 30, 2010. Thus, funds held in noninterest-bearing transaction accounts, and certain NOW and linked MMMDA accounts with interest rates at or below 0.50%, will be guaranteed in full under the TAGP through June 30, 2010. The TAGP was originally scheduled to end on December 31, 2009. Please visit www.fdic.gov for more information.

Certain clients who participate in Morgan Stanley Smith Barney's Bank Deposit Program are eligible to enroll their deposits at the Sweep Banks in the TAGP. Beginning July 1, 2010, if you have enrolled your deposits in the TAGP, they will no longer be fully guaranteed but will be insured up to \$250,000 per bank under the FDIC's general deposit rules. The interest rates for these deposits

will also revert to their generally applicable Bank Deposit Program rates on or about July 1, 2010. If you have any questions, please call your Financial Advisor.

Fair Market Value - Form 5498

Please note that Morgan Stanley Smith Barney is required by law to report the December 31, 2009, "Fair Market Value" of an IRA to the Internal Revenue Service (IRS) and to IRA owners. For purposes of this reporting requirement, the "Fair Market Value" reported on this Year-End Statement will serve as your written notification of this amount in compliance with the IRS requirements. The Fair Market Value on your Year-End Statement also will be the Fair Market Value amount that we report electronically to the IRS, on or before June 1, 2010, on IRS Form 5498. Please note, however, that if you make any reportable contributions, rollovers, recharacterizations or, if applicable, Roth conversions, by April 15, 2010, with respect to your IRA, a second notice (on IRS Form 5498) reflecting these actions will be provided to you.

Take a second look at a Roth IRA

Take a second look at a Roth IRA. Roth IRAs offer significant benefits: tax-deferred growth potential of your retirement assets, tax-free withdrawals in retirement and they can help you leave more of your portfolio tax-free to your heirs. Even if you already have a Roth IRA, you are now able to convert assets from a Traditional IRA or employer-sponsored plan to a Roth IRA—even if you didn't qualify in the past because of your income level. Ask your Financial Advisor for a personalized Roth conversion analysis.

Tax laws are complex and subject to change. This information is based on current federal tax laws in effect at the time this was written. Morgan Stanley Smith Barney LLC, its affiliates and Morgan Stanley Smith Barney's Financial Advisors do not

provide tax or legal advice. This material was not intended nor written to be used for the purpose of avoiding tax penalties that may be imposed on the taxpayer. Individuals are urged to consult their personal tax or legal advisors to understand the tax and related consequences of any actions or investments described herein.

Questions?

Questions regarding your account may be directed to either your Financial Advisor or the Branch Manager for the branch office where you maintain your account. If you require further assistance, your inquiries may also be directed to Client Service at (800) 869-3326 or you may contact the Legal and Compliance Division at (914) 225-5870 with any account-related concerns.

Asset Classification

We classify the assets on your statement based on certain general characteristics, such as: income generation, underlying capital structure, or exposure to certain market sectors. Asset classification decisions are often influenced by marketplace conventions and are designed to be informative and provide clients with a particular, non-exclusive, view of their portfolio. As many assets contain characteristics of more than one asset class, the asset classification reflected on this statement may differ from others you may receive. These classifications are not intended to serve as a suitability analysis. Please contact your Financial Advisor for more information.

Important Information About Auction Rate Securities

The following message has been added to all client account statements but applies only to holders of Auction Rate Securities. Depending on your current holdings, this message may/may not be applicable to you. Please note due to recent market conditions,

certain Auction Rate Securities are experiencing no or limited liquidity. Therefore, the price(s) for any Auction Rate Securities shown on this statement may not reflect the price(s) you would receive upon a sale at auction or in a secondary market transaction. There can be no assurance that a successful auction will occur or that a secondary market exists or will develop for a particular security. The prices of any Auction Rate Securities on your statement are derived from various sources, and may differ from prices provided to Morgan Stanley & Co. Incorporated by outside pricing services and/or from Morgan Stanley & Co. Incorporated's own internal bookkeeping valuations. Please contact your Financial Advisor with any questions. To learn more about Auction Rate Securities, including information about the partial redemption allocations process, log on to ClientServ for more details. To enroll in ClientServ, go to www.morganstanleyclientserv.com/welcome.

Municipal Official Statements - Access Equals Delivery

Following the amendment of Municipal Securities Rulemaking Board (MSRB) Rule G-32, municipal bond official statements will now be available electronically through "Access Equals Delivery." This means you can obtain a copy of a municipal bond official statement through the MSRB Electronic Municipal Market Access website: www.emma.msrb.org. Through this website, you can search for an official statement by issuer name or CUSIP number. You can then download and print the statement or save it as a PDF. Please note that hardcopy delivery will stop in January 2010 unless specifically requested. You can request a hard copy of an Official Statement to be mailed to you by calling 1 (800) 584-6837. You can request a one time hard copy delivery or you can choose to enroll in recurring hard copy delivery for each time you purchase a municipal syndicate security.

PERSONAL ACCOUNTS

RETIREMENT ACCOUNTS

EDUCATION ACCOUNTS

TRUST ACCOUNTS

BUSINESS ACCOUNTS

CONTINUED

Retirement Account # 332-109009-332

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CLIENT STATEMENT | For the Period December 1-31, 2009

Messages (CONTINUED)

The MSRB website will be listed on the front of
your trade confirmations.
For more information regarding this initiative,
please contact your Financial Advisor.

MorganStanley
SmithBarney

CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

CLIENT STATEMENT | For the Period December 1-31, 2009

Change in Your Information

CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

MorganStanley
SmithBarney

PLEASE CHECK THAT OUR RECORDS ARE CORRECT

In a continuing effort to keep our client records up to date, listed below is the information we have on file for your account. Please review this for accuracy, and if any corrections are required, **circle the incorrect information below and write the correct information on the lines to the right.** Send this page with your changes to Morgan Stanley Smith Barney at the address listed under Your Branch on the first page of this statement.

Your Information We will consider this information correct unless you let us know of any changes or errors. In addition, please notify the Firm of any future changes to this information.

Your account agreements If you would like to receive copies of your executed agreements relating to your account(s), please contact your Financial Advisor or the Client Interaction Center at (800) 869-3326.

INFORMATION CURRENTLY ON FILE

Account Registration

MS&CO C/F
CAROL BRAUNWARTH
IRA STANDARD DATED 08/20/01
16769 BAYWOOD TERRACE
EDEN PRAIRIE MN 55346-2423

CORRECTED INFORMATION

Annual Income

\$100,000

Net Worth \$1,500,000

Investment Objectives

Income, Aggressive Income, Capital Appreciation, Speculation

ACCOUNT OWNER 1

Carol Braunwarth

Tax I.D. XXX-XX-5032

Legal Address

N/A
N/A
N/A
Date of Birth mm/dd/yyyy 1953
Telephone Number 952-937-2389

Occupation Area

GOVERNMENT

Occupation MANAGER

For your reference, below you'll find a description of the investment objective(s):

Income - for investors seeking regular income with low to moderate risk to principal

Capital Appreciation - for investors seeking capital appreciation with moderate to high risk to principal

Aggressive Income - for investors seeking higher returns either as growth or as income with greater risk to principal

Speculation - for investors seeking high profits or quick returns with considerable possibility of losing most or all of their investment

PERSONAL
ACCOUNTS

RETIREMENT
ACCOUNTS

EDUCATION
ACCOUNTS

TRUST
ACCOUNTS

BUSINESS
ACCOUNTS

MorganStanley
SmithBarney

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CLIENT STATEMENT | For the Period December 1-31, 2009

Disclosure

**MorganStanley
SmithBarney**
CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

Account Servicing

Account(s) carried with Morgan Stanley & Co. Incorporated ("Morgan Stanley"), member SIPC. New York Stock Exchange Rule 382 requires that Morgan Stanley Smith Barney LLC ("MSSB") and Morgan Stanley allocate between them certain functions regarding the administration of your brokerage account. A more complete description is available upon request.

Account Valuation

These figures represent the approximate value of your account(s) on a settlement date basis and are computed by adding (1) the market value of all priced positions and (2) market values provided by pricing services and correspondent custodians for other positions, and by adding any credit or subtracting any debit to your closing cash, money market funds and/or deposit balance. Please note, this valuation may be adjusted for the net change in priced asset values for securities held or for the net change in money market balances during the settlement period. Your closing cash, money market fund and/or deposit balance represents the cash, money market funds and/or deposits and reflects the net month end balance. Global Currency Deposits are reflected in U.S. dollars as of the statement end date. The Annual Percentage Yield ("APY") for deposits represents the applicable rate in effect for your deposits at the statement ending date. This APY may be different than the APY that was in effect during the statement period. For current Bank Deposit or Money Market Fund yields, go to <http://www.morganstanleyindividual.com/AccountOptions/ActiveAssets/InvestmentFeatures>

Additional IRA Information

IRA contributions are subject to IRS eligibility rules and regulations. The "Max. Individual Contributions Allowed (by SSN)" reflects the annual limit on contributions that you as an individual can make to IRAs (Traditional, Roth, SEP, and SARSEP) under the Internal Revenue Code. The limit applies on a

per person basis, not per account. The Contributions information included in this statement reflects contribution information for a particular account, without reference to any other IRA.

You cannot make an individual contribution to a Traditional IRA for the year in which you attain age 70 1/2 or any later year. You should check with your tax advisor to verify how much you can contribute and whether or not the contribution will be tax deductible.

The categorization of any amounts in this statement as Individual Deductible or Individual Non-Deductible is based upon information provided by you, and is included for your convenience. Please contact your Financial Advisor if this information is incorrect. The information included in this statement is not intended to constitute tax, legal or accounting advice.

Availability of Free Credit Balances and Financial Statements

Under the customer protection rules of the SEC [17 CFR 240.15c3-2 & -3], Morgan Stanley may use free credit balances in your account which are payable to you on demand, in the ordinary course of its business. We provide summary Morgan Stanley financial statements to you semiannually; copies are also available on request, by mail.

Certain Assets Not Held At Morgan Stanley

You may purchase certain assets through MSSB and/or Morgan Stanley that may be held at a financial institution other than Morgan Stanley. Assets not held at Morgan Stanley may not be covered by SIPC protection. We may include information about these assets on this statement, solely as a service to you and are not responsible for information (including valuation) derived from you or another external source. Generally, any financial institution that holds securities is responsible for providing taxable year-end reporting (1099s) and separate periodic statements, which may vary from our information due to different tax reporting

periods. In the case of Morgan Stanley, Van Kampen and external networked mutual funds, Morgan Stanley performs all year-end tax reporting (1099s). Under certain circumstances, such as IRA accounts, Morgan Stanley performs all tax reporting.

Errors and Inquiries

If you do not understand an entry on this statement or suspect an error was made, it is essential that you immediately contact the manager of the MSSB office servicing your account and Morgan Stanley. You may contact Morgan Stanley at 212-276-6760. Oral communications with MSSB and/or Morgan Stanley regarding any inaccuracy or discrepancy in this statement should be re-confirmed in writing to further protect your rights, including rights under the Securities Investor Protection Act (SIPA). We will consider your statement to be correct unless we receive a written inquiry from you about the suspected error within 10 calendar days from the day on which you received your statement. It is your responsibility to review your statement promptly and to seek immediate clarification about entries that you do not understand.

Gain and Loss Information

The gain and loss information is provided for informational purposes only, is not a substitute 1099 form (or any other appropriate tax form), and should not be used for tax preparation. Unrealized gain and loss values are estimates and should be independently verified. We recommend that you contact your tax advisor to determine the appropriate use of this information. Past performance does not guarantee future returns.

Gain and loss information is calculated based upon uniform standards and does not account for each individual client's particular circumstances such as the existence of hedging transactions or constructive sales. Although we make every effort to adjust the cost basis for securities' capital changes, we do not adjust the cost basis for all events. Contact your Financial Advisor for guidance on particular

questions.

For accounts with Choice Select pricing, the commissions paid on your eligible equity and option purchases and sales are applied to the Total Cost on a monthly basis.

With respect to estimated gains and losses for listed equity options, we have taken into account option premiums paid or received and, in respect to multiple purchases and/or sales, calculated cost using an average unit price for all like positions. We are not responsible for any gain and loss information provided by you or another financial institution; you are responsible for ensuring the accuracy of such information. Whether provided by you, another financial institution or MSSB, it is your responsibility to ensure the accuracy of all of the Estimated Gain and Loss information.

For clients wishing to make versus purchase sales that information needs to be conveyed at the time of the sale. Unless you tell us otherwise, we use first in first out (FIFO) accounting.

Listed Options

Information with respect to commissions and other charges related to the execution of options transactions has been included in confirmations of such transactions previously furnished to you and such information will be made available to you promptly at your request.

Margin Interest Charges

Morgan Stanley calculates interest charges on margin loans as follows:

- (1) Multiply the applicable margin interest rate by the daily close of business net settled debit balance.
 - (2) Divide by 360 (days).
- Margin interest accrues daily throughout the month and is added to your debit balance at month-end. The month-end interest charge is the sum of the daily accrued interest calculations for the month. Morgan Stanley adds the accrued interest to your debit balance and starts a new calculation each time the applicable interest rate changes and at the close

CLIENT STATEMENT | For the Period December 1-31, 2009

Disclosure (CONTINUED)

CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

MorganStanley
SmithBarney

of every statement month. For current margin loan interest rates, please go to <http://www.morganstanleyindividual.com/customerservice/disclosures/#4>

Margin Privileges (not available for certain accounts such as IRAs or retirement accounts) If you have margin privileges, you may borrow money from Morgan Stanley in exchange for pledging assets in your accounts as collateral for any outstanding margin loan. The amount you may borrow is based on the value of the eligible securities in your margin accounts. If a security has eligible shares, the number of shares pledged as collateral will be indicated below the position.

Money Market Pricing

An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at \$1.00 per share, there can be no assurance that will occur and it is possible to lose money should the fund value per share fall. Moreover, in some circumstances money market funds may be forced to cease operations when the value of a fund drops below \$1.00 per share. In that event, the fund's holdings would be liquidated and distributed to the fund's shareholders. This liquidation process could take up to one month or more. During that time, these funds would not be available to you to support purchases, withdrawals, and if applicable, check writing or ATM debits from your account.

Pricing of Securities

The prices of securities displayed on this statement are derived from various sources and in some cases may be higher or lower than the price that you would actually receive in the market. Although we attempt to use reliable sources of information, we can offer no assurance as to its accuracy.

For securities listed on an exchange or trading continually in an active marketplace the price reflects

the market quotations at the close of your statement period. The prices of securities not actively traded may not be available. These are indicated by N/A (not available). For securities that trade less frequently, we rely on outside pricing services and/or computerized pricing models, which cannot always give us actual market values. Some annuity values provided by outside sponsors are estimates. The amounts on this statement for limited partnerships are typically obtained from a third party or from the general partners unless we have obtained other information such as an independent appraisal. Since many partnership valuations are provided only annually, they do not always represent current values.

Furthermore some securities, such as limited partnerships and non-traded REITs are illiquid and have no public markets, so the amounts shown on this statement may not equal the amounts you would receive if you sold your investment. The value of mutual fund shares is determined by multiplying the net asset value (NAV) by the number of shares or units held, as reported to Morgan Stanley by the correspondent custodian. If we cannot obtain a price or estimate, N/A appears. Speak to your Financial Advisor to obtain current information concerning the prices on your statements.

Security Measures

This statement features several embedded security elements to safeguard its authenticity. One is a unique security mark—a blue rectangle printed in heat-sensitive ink on the back side of every page. When exposed to warmth, the blue rectangle will disappear, and then reappear.

SIPC Protection

Securities and cash held in your MSSB account(s) are protected by a combination of coverage provided by the Securities Investor Protection Corporation (SIPC), a non-profit organization created by an Act of Congress, and additional protection purchased from

a private insurer by Morgan Stanley (the Excess Coverage). SIPC protects up to \$500,000 of each client's securities, of which up to \$100,000 may be uninvested cash. SIPC and Excess Coverage apply only to securities and cash in the exclusive possession and control of Morgan Stanley and do not protect against losses due to market fluctuations. Detailed information is available upon request.

Special Considerations Regarding Structured Products

Structured products are complex products and may be subject to special risks, which may include, but are not limited to, loss of initial investment; issuer credit risk; limited or no appreciation; risks associated with the underlying reference asset(s); no periodic payments; call prior to maturity; early redemption fees or other fees may apply; price volatility resulting from issuer's and/or guarantor's credit quality; lower interest rates and/or yield compared to conventional debt with comparable maturity; unique tax implications; concentration risk of owning the related security; and limited or no secondary market; conflicts of interest; and limits on participation in appreciation of underlying asset(s). Structured Products may not perform in a manner consistent with the statement product category where they appear and therefore may not satisfy portfolio asset allocation needs for that category. For more information about the risks specific to your structured products, you should contact your Financial Advisor.

Taxes

Under Federal Income Tax law, Morgan Stanley is required to report the gross proceeds of sales transactions (including entering into short sales) to you on Form 1099-B by February 15 of the year following the calendar year of the transaction. The information reported on your Form 1099-B for the calendar year should be exclusively relied upon for the purpose of filing your tax return for the year.

Under U.S. Internal Revenue Service regulations, if you have not provided us with certification of either U.S. or foreign status on an appropriate Form W-9 or W-8, your accounts may be subject to either 28% back up withholding or 30% nonresident alien withholding, as applicable, on payments made to your accounts.

Total Income (This Year/This Period)

Total income as used in, the income summaries, represents dividends and/or interest on securities we receive on your behalf and credit to your account(s) during the calendar year. We report dividend distributions and taxable bond interest credited to your account to the Internal Revenue Service. The totals we report may differ from those indicated as "This Year" figures on the last statement for the calendar year. In the case of Real Estate Investment Trusts (REITs), Master Limited Partnerships, Regulated Investment Companies and Unit Investment Trusts, some sponsors may reclassify the distribution to a different tax type for year-end reporting (1099).

Transaction Dates and Transaction Conditions

All transactions list transaction date and settlement date. Transactions are included on this statement based on settlement date. In the case of unsettled trades, we list the trade based on trade date instead of the settlement date with a notation that the trade is unsettled. Unsettled trades will not be reflected in position and cash balances.

Upon written request, MSSB will furnish the date and time of a transaction and the name of the other party to a transaction.

MSSB and/or its affiliates may accept benefits that constitute payment for order flow. Details regarding these benefits and the source and amount of any other remuneration received or to be received by us in connection with any transaction will be furnished upon written request.

CLIENT STATEMENT | For the Period September 1-30, 2010

**MorganStanley
SmithBarney**

#BWNJGWM

CAROL BRAUNWARTH
16769 BAYWOOD TERRACE
EDEN PRAIRIE MN 55346-2423

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BLOOMINGTON, MN 55437
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Alt. Phone: 800-927-1990
Fax: 952-921-1944

Client Interaction Center

800-844-6119
Mon-Fri 8 AM - 8 PM ET
Sat-Sun Closed

Access your accounts online

www.morganstanley.com/online

Morgan Stanley Smith Barney LLC. Member SIPC.

TOTAL VALUE LAST PERIOD (as of 8/31/10)	\$81,499.63
NET CONTRIBUTIONS/WITHDRAWALS	(75.00)
CHANGE IN VALUE (Incl. Sept. Accr. Int.)	6,028.12
TOTAL VALUE OF YOUR ACCOUNT (as of 9/30/10)	\$87,452.75

Your Financial Advisor Team

The Johnson ~ Halabrin Group
952-841-6450

Your Financial Advisors

Mark Johnson
Judith Halabrin
William Barton McNabb
Debbie McKinney
Ann Johnson

CLIENT STATEMENT | For the Period September 1 -30, 2010

MorganStanley
SmithBarney

Account Summary

Brokerage Account
TRADITIONAL IRA
Householding Anniversary Date: 11/14/02
Investment Objective[†]: Income, Aggressive Income, Capital Appreciation, Speculation

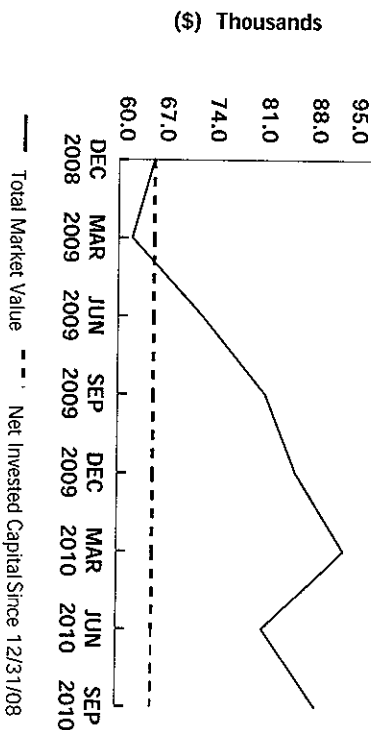
Retirement Account
332-109009-332
CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

CHANGE IN VALUE OF YOUR ACCOUNTS

	Total Beginning Value	This Year (1/1/10-9/30/10)	This Period (9/1/10-9/30/10)
Contributions	\$84,642.20		\$81,499.63
Withdrawals	(75.00)		(75.00)
Security Transfers	—		—
Net Contributions/Withdrawals	\$(75.00)		\$(75.00)
Accrued Interest - Sept. Adjustment	258.61		258.61
Change in Value	2,626.94		5,769.51
Total Ending Value (includes accrued interest)	\$87,452.75		\$87,452.75

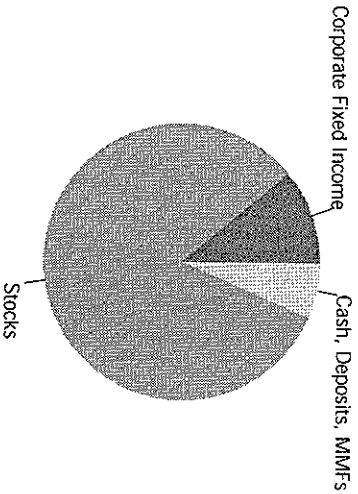
CHANGE IN VALUE OVER TIME

This graph compares the total value of your account to the net amount invested. Net investment is the total amount invested minus the total amount withdrawn.



This exhibit may not include transactions for investments in Annuities or where Morgan Stanley Smith Barney is not the custodian. This may affect the reported Net Invested Capital. If we are not the custodian there may also be a delay in the reporting of your Market Value. Please speak to your Financial Advisor if you have any questions. Please see the Messages section for important changes this month regarding accrued interest. † See the Disclosures section of your statement for more information about investment objectives. Please review for accuracy and inform us if your investment objectives change.

ALLOCATION OF HOLDINGS



	Market Value	Percentage %
Cash, Deposits, MMFs*	\$5,719.32	6.5
Stocks	72,057.62	82.4
Corporate Fixed Income ^	9,675.81	11.1
TOTAL VALUE ^	\$87,452.75	100.0%

We classify assets based on general characteristics such as: income generation, underlying capital structure, or exposure to certain market sectors. As many assets contain characteristics of more than one asset class, this asset classification may differ from others you may receive. These classifications are not intended to serve as a suitability analysis. * Bank Deposits are eligible for FDIC insurance. FDIC rules apply and deposits are not SIPC insured. Cash and securities (including Money Market Funds) are eligible for SIPC coverage. Please see disclosures at end of the statement(s). ^ Includes Accrued Interest

CLIENT STATEMENT | For the Period September 1-30, 2010

Account Summary

Retirement Account CAROL BRAUNWARTH
332-109009-332 16769 BAYWOOD TERRACE

MorganStanley
SmithBarney

BALANCE SHEET

	Last Period (as of 8/31/10)	This Period (as of 9/30/10)
TOTAL VALUE (incl. accr. int.)	\$81,499.63	\$87,452.75
ASSETS	\$81,499.63	\$87,452.75
Cash, Deposits, MMFs	5,649.17	5,719.32
Stocks	66,734.46	72,057.62
Municipal Bonds	—	—
Corporate Fixed Income ^	9,116.00	9,675.81
Government Securities	—	—
Certificates of Deposit	—	—
Mutual Funds	—	—
Unit Investment Trusts	—	—
Annuities & Insurance	—	—
Other	—	—
LIABILITIES (Outstanding Balance)		
There are no liabilities for this account.		
^ Includes Accrued Interest		

CASH FLOW

	This Year (1/1/10-9/30/10)	This Period (9/1/10-9/30/10)
OPENING CASH BALANCE	\$1,542.11	\$5,649.17
NET CREDITS/DEBITS	\$(75.00)	\$(75.00)
CREDITS		
Checks Deposited	—	—
Electronic Transfers	—	—
Other Credits	—	—
DEBITS	\$(75.00)	\$(75.00)
Electronic Transfers	—	—
Interest Charged	—	—
Tax Withholdings	—	—
Other Debits	(75.00)	(75.00)
NET CASH FROM INVESTMENTS	\$4,252.21	\$145.15
Income	837.39	145.15
Dividend Reinvestments	—	—
Purchases	(23,898.80)	—
Sales/Redemptions	27,313.62	—
CLOSING CASH BALANCE	\$5,719.32	\$5,719.32

CLIENT STATEMENT | For the Period September 1-30, 2010

Account Summary

Retirement Account
332-109009-332

CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

MorganStanley
SmithBarney

INCOME SUMMARY

	This Year (1/1/10-9/30/10)	This Period (9/1/10-9/30/10)
TOTAL INCOME	\$837.39	\$145.15
INCOME	837.39	145.15
Dividends	486.80	145.00
Capital Gain Distributions	—	—
Interest	350.59	0.15
Other Income	—	—

GAIN/(LOSS) SUMMARY

This Year (1/1/10-9/30/10)	Gain/(Loss)
NET REALIZED	\$(1,099.91)
Gain	4,672.61
(Loss)	(5,772.52)
This Period (9/1/10-9/30/10)	Gain/(Loss)
NET REALIZED	—
Gain	—
(Loss)	—
NET UNREALIZED (9/30/10)	\$(9,576.06)
Gain	9,002.37
(Loss)	(18,578.45)

Gain / loss and income information are provided for informational purposes only and should not be used for tax preparation. Gain / loss summary information may change due to basis adjustments.
Please refer to the gain / loss section of the disclosures for additional information.

RETIREMENT RECAP

	2009	2010
Fair Market Value (2010 includes accrued interest)	\$84,642.20	\$87,452.75
Max. Individual Contributions Allowed (by SSN)*	6,000.00	6,000.00
Contributions	2009	2010
No Contributions For This Account	—	—

* The 2010 Fair Market Value reflected above now includes accrued but unpaid interest in the value of your IRA. Please see the enclosed FYI brochure for additional information about this change and how it may impact your IRA. For IRAs, also see the "Additional IRA Information" in the Disclosure section at the end of this statement.

Total Individual Contributions

Max by Social Security Number (SSN)

	TOTAL ALLOWABLE
Under Age 50	\$5,000.00
Age 50 and over	\$6,000.00
2009	0.00
2010	0.00

CONTRIBUTIONS TO DATE

CLIENT STATEMENT | For the Period September 1 -30, 2010

MorganStanley
SmithBarney

Account Summary

Retirement Account: CAROL BRAUNWARTH
332-109009-332 16769 BAYWOOD TERRACE

ADDITIONAL ACCOUNT INFORMATION

Category	This Year (1/1/10-9/30/10)	This Period (9/1/10-9/30/10)
Accrued Interest Sold	\$282.71	—

PERSONAL
ACCOUNTS

RETIREMENT
ACCOUNTS

EDUCATION
ACCOUNTS

TRUST
ACCOUNTS

BUSINESS
ACCOUNTS

CLIENT STATEMENT | For the Period September 1-30, 2010

MorganStanley
SmithBarney

Holdings

Retirement Account
332-109009-332
CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

The "Market Value" and "Unrealized Gain(Loss)" figures shown are representative values as of the last business day of the period shown above which may not reflect the value that could actually be obtained in the market. See "Pricing of Securities" in the Disclosures section at the end of this statement. Estimated annual income and estimated yield for certain securities can include return of principal or capital gains which could overstate such estimates. Estimated yield and estimated annual income are estimates and the actual income or yield may be lower or higher than the estimates. Estimated yield reflects only the income generated by an investment. It does not reflect changes in its price, which may fluctuate. If you hold structured products, please refer to the Special Considerations Regarding Structured Products section of the Disclosure section. Gain/loss information is provided for informational purposes only and should not be used for tax preparation. Please refer to the gain/loss section of the disclosures for important information about gain/loss reporting. From January through September, realized gain/loss information will be shown only for trades settling in the current month, and/or certain adjustments (to previously closed lots) made in the current month. From October through December, in order to provide information for year-end investment planning, complete year to date realized gain/loss detail will be displayed for trades settling through the last business day of the year.

CASH, DEPOSITS AND MONEY MARKET FUNDS

Description	Value	Estimated Annual Income	7-Day Current Yield %	Annual Percentage Yield %
MORGAN STANLEY BANK N.A. #	\$5,719.32	\$2.00	—	0.030
CASH, DEPOSITS AND MONEY MARKET FUNDS	6.5%	Market Value \$5,719.32	Estimated Annual Income Accrued Interest \$2.00	\$0.00

Bank deposits are at Morgan Stanley Bank, N.A. and Morgan Stanley Private Bank, National Association (Members FDIC), affiliates of Morgan Stanley Smith Barney. Cash holdings shown exclude cash holdings in custody at another firm for which you receive a separate statement.

STOCKS

COMMON STOCKS

Morgan Stanley & Co. Incorporated (Morgan Stanley). Citi Investment Research & Analysis (CIRA), and Standard & Poor's research ratings may be shown for certain securities. All research ratings represent the "opinions" of the research provider and are not representations or guarantees of performance. Because the research report contains more complete information regarding the analyst's opinions, analysis, and rating, you should read the entire research report and not infer its contents from the rating. Where a particular company is covered by both Morgan Stanley and CIRA, you can and should view both research reports. Morgan Stanley and CIRA research reports may contain different or conflicting information about the subject companies of such research reports because they are prepared separately from each other. For ease of comparison, Morgan Stanley and Standard & Poor's research ratings have been normalized to a 1 (Buy), 2 (Hold), and 3 (Sell). Please refer to the end of this statement for a summary guide describing CIRA, Morgan Stanley and Standard & Poor's ratings. Morgan Stanley Smith Barney is not the author of, does not take responsibility for, and does not guarantee the accuracy, completeness, or timeliness of research prepared for Standard & Poor's.

Security Description	Quantity	Total Cost	Market Value	Unrealized Gain(Loss)	Estimated Annual Income	Dividend Yield %
AMERICAN TOWER CP CLASS A (AMT)	75.000	\$3,245.09	\$3,844.50	\$599.41	—	—
Share Price: \$51.260; Rating: Morgan Stanley: 2, Citigroup: 1H, S&P: 1						
APPLE INC (AAPL)	8.000	1,847.49	2,270.00	422.51	—	—
Share Price: \$283.750; Rating: Morgan Stanley: 1, Citigroup: 1H, S&P: 1						

CONTINUED

CLIENT STATEMENT | For the Period September 1-30, 2010

MorganStanley
SmithBarney

Holdings

Retirement Account
332-109009-332
CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Quantity	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
AT&T INC (T)	150.000	4,083.69	4,290.00	206.31	252.00	5.87
Share Price: \$28.600; Rating: Morgan Stanley: 1, Citigroup: 2M, S&P: 1; Next Dividend Payable 11/1/10						
BAKER HUGHES INC (BHI)	100.000	8,263.08	4,260.00	(4,003.08)	60.00	1.40
Share Price: \$42.600; Rating: Morgan Stanley: 1, Citigroup: 2H, S&P: 2; Next Dividend Payable 11/1/10						
BUFFERED PLUS ON S&P 500 INDEX DUE 6/30/2011 BY JPM (SPECU)	1,000.000	10,000.00	11,760.00	1,760.00	—	—
Share Price: \$11.760						
CHESAPEAKE ENERGY CORP (CHK)	200.000	4,675.10	4,530.00	(145.10)	60.00	1.32
Share Price: \$22.650; Rating: Morgan Stanley: 2, Citigroup: 2S, S&P: 1; Next Dividend Payable 10/15/10						
GOOGLE INC-CL A (GOOG)	8.000	3,705.68	4,206.32	500.64	—	—
Share Price: \$525.790; Rating: Morgan Stanley: 1, Citigroup: 1H, S&P: 1						
NORDIC AMERICAN TNR SHIPPING (MAT)	200.000	7,947.72	5,352.00	(2,595.72)	480.00	8.96
Share Price: \$26.760; Rating: Morgan Stanley: 1; Next Dividend Payable 12/1/10						
SANDISK CORP (SNDK)	100.000	1,918.25	3,665.00	1,746.75	—	—
Share Price: \$36.650; Rating: Morgan Stanley: 1, S&P: 2						
TARGET CORPORATION (TGT)	100.000	2,722.00	5,344.00	2,622.00	100.00	1.87
Share Price: \$53.440; Rating: Citigroup: 1M, S&P: 1; Next Dividend Payable 12/1/10						
TENARIS S.A. (TS)	90.000	4,757.42	3,457.80	(1,299.62)	61.20	1.76
Share Price: \$38.420; Rating: Morgan Stanley: 1						
VEECO INSTRUMENTS INC DEL (NECO)	400.000	14,374.10	13,948.00	(426.10)	—	—
Share Price: \$34.870; Rating: Citigroup: 1S						
WEATHERFORD INTERNATIONAL LTD (WFT)	300.000	8,373.38	5,130.00	(3,243.38)	—	—
Share Price: \$17.100; Rating: Morgan Stanley: 1, Citigroup: 1H						
STOCKS	82.4%	Total Cost \$75,913.00	Market Value \$72,057.62	Unrealized Gain/(Loss) \$3,855.38	Estimated Annual Income \$1,013.20	Yield % 1.41%
					\$0.00	

CLIENT STATEMENT | For the Period September 1-30, 2010

MorganStanley
SmithBarney

Holdings

Retirement Account
332-109009-332
CAROL BRAUNWARTH
16769 BAYWOOD TERRACE

CORPORATE FIXED INCOME

CORPORATE BONDS

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
LINCOLN NATL CORP IND 7.0% FIX ED TO 5/16 FLOATS THEREAFTER	10,000.000	\$8,255.25	\$9,400.00	\$1,144.75	\$700.00	7.44
CUSIP 534187AS8		\$8,255.25			\$258.61	

Unit Price: \$94.000; Coupon Rate 7.000%; Matures 05/17/16; Int. Semi-Annually May/Nov 17; Callable \$100.00 on 05/17/16; Yield to Maturity 7.454%; Floater; Moody BA1 S&P BBB; Issued 05/17/06

FIXED-RATE CAPITAL SECURITIES

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
LEHMAN CAPITAL TRUST IV	400.000	\$6,882.65	\$17.20	\$(6,865.45)	—	—
CUSIP 52520B206		\$6,882.65			—	

Unit Price: \$0.043; Coupon Rate 6.375%; Matures 10/31/12; Interest Paid at Maturity; Callable \$25.00 on 10/31/10; Moody W/R

CORPORATE FIXED INCOME	Percentage of Assets %	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
		\$15,137.90	\$9,417.20	\$(5,720.70)	\$700.00	7.43%
		\$15,137.90			\$258.61	

TOTAL CORPORATE FIXED INCOME (incl.accr.int.) 11.1%

TOTAL MARKET VALUE	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
	100.0%	\$91,050.90	\$87,194.14	\$(9,576.08)	\$1,715.20	1.96%
					\$258.61	

TOTAL VALUE (includes accrued interest) \$87,452.75

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MorganStanley
SmithBarney

Activity

Retirement Account CAROL BRAUNWARTH
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CASH FLOW ACTIVITY BY DATE

Transaction Settlement						
Date	Date	Activity Type	Description	Comments	Quantity	Price
						Credits/(Debits)
9/2	9/2	Dividend	NORDIC AMERICAN TNRK SHIPPING			\$120.00
9/10	9/10	Dividend	TARGET CORPORATION			25.00
9/16	9/16	Account Charge	ANNUAL MAINTENANCE FEE			(75.00)
9/29	9/29	Interest Income	MORGAN STANLEY BANK N.A.			0.15
			(Period 08/31 -09/29)			
NET CREDITS/(DEBITS)						
						\$70.15

MONEY MARKET FUND (MMF) AND BANK DEPOSITS ACTIVITY

Date	Activity Type	Description	Credits/(Debits)
9/3	Automatic Investment	BANK DEPOSIT PROGRAM	\$120.00
9/13	Automatic Investment	BANK DEPOSIT PROGRAM	25.00
9/17	Automatic Redemption	BANK DEPOSIT PROGRAM	(75.00)
9/29	Automatic Investment	BANK DEPOSIT PROGRAM	0.15
NET ACTIVITY FOR PERIOD			\$70.15

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Messages

Retirement Account CAROL BRAUN/WARTH
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Consolidated Statement of Financial Condition (in thousands of dollars):

At June 30, 2010 Morgan Stanley Smith Barney LLC had net capital of \$1,244,800 which exceeded the Securities and Exchange Commission's minimum requirement by \$1,204,893.

A copy of the Morgan Stanley Smith Barney LLC Consolidated Statement of Financial Condition at June 30, 2010 can be viewed online at: http://www.morganstanley.com/about/shareholder/morganstanley_smithbarney_llc.pdf or may be mailed to you at no cost by calling (866) 825-1675, after September 13, 2010.

Important Message for Holders of Fixed Income Securities (and Global Currency time deposits):

Starting with this month's statement, we have added the accrued interest on fixed income securities to your Total Account Value. As a result, you may notice an increase in the "Total Market Value" line of the "Change in Value Over Time" graph. This increase represents the initial inclusion of this amount, and will also be displayed as a line item titled "Accrued Interest - Sept. Adjustment" in the "Change in Value of Your Accounts" table. For more detail, please refer to the enclosed "FYI" brochure.

Important Information if you are a Margin Customer

If you have a margin account with us, as permitted by law we may use certain securities in your account for, among other things, settling short sales and lending the securities for short sales, and as a result may receive compensation in connection therewith.

Important Information Regarding the Bank Deposit Program

Effective July 1, 2010, Morgan Stanley Trust converted from a federal savings bank to a national

bank and changed its name to Morgan Stanley Private Bank, National Association (the "Bank"). The Bank participates in the Bank Deposit Program (the "Program") and this conversion has no impact on the terms, conditions or features of the Program. If the Program is the cash sweep investment for your account, you will see the new name of the Bank reflected on your statement to the extent any funds are swept there. For more information about the Program, please visit <http://www.morganstanleyindividual.com/accountinfo/activeassets>.

Questions?

Questions regarding your account may be directed to either your Financial Advisor or the Branch Manager for the branch office where you maintain your account. If you require further assistance, your inquiries may also be directed to Client Service at (800) 869-3326 or you may contact the Legal and Compliance Division at (914) 225-5870 with any account-related concerns.

Important Information About Auction Rate Securities

The following message has been added to all client account statements but applies only to holders of Auction Rate Securities. Depending on your current holdings, this message may/may not be applicable to you.

Due to market conditions, certain Auction Rate Securities are experiencing no or limited liquidity. Therefore, the price(s) for any Auction Rate Securities shown on this statement may not reflect the price(s) you would receive upon a sale at auction or in a secondary market transaction, and are not an indication of any offer to purchase at such price. There can be no assurance that a successful auction will occur or that a secondary market exists or will develop for a particular security. The prices of any Auction Rate Securities on your statement in most cases reflect par value,

but may be derived from various sources. These prices may differ from: prices provided to us or our affiliates by outside pricing services; or our affiliates' own internal bookkeeping valuations; prices of transactions executed in any secondary market that exists or may develop; and/or the prices at which issuer repurchases or redemptions may occur. Please contact your Financial Advisor with any questions. To learn more about Auction Rate Securities, including information about the partial redemption allocations process, log on to ClientServ for more details. To enroll in ClientServ, go to www.morganstanleyclientserv.com/welcome.

PERSONAL ACCOUNTS RETIREMENT ACCOUNTS EDUCATION ACCOUNTS

TRUST ACCOUNTS BUSINESS ACCOUNTS

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CLIENT STATEMENT | For the Period September 1-30, 2010

Research Ratings Definitions

**GUIDE TO MORGAN STANLEY & CO.
INCORPORATED (MORGAN STANLEY), CITI
INVESTMENT RESEARCH & ANALYSIS (CIRA)
AND STANDARD & POOR'S RESEARCH
RATINGS**

MORGAN STANLEY RESEARCH RATINGS

Morgan Stanley does not assign ratings of Buy, Hold or Sell to the stocks they cover. Morgan Stanley's ratings, Overweight, Equal-weight, Not-Rated and Underweight, are not the equivalent of Buy, Hold, and Sell, but represent recommended relative weightings. To satisfy regulatory requirements, Morgan Stanley corresponds Overweight, their most positive stock rating, to a Buy recommendation, they correspond Equal-weight and Not-Rated to Hold recommendations, and Underweight to Sell recommendations, respectively. For ease of comparison, Morgan Stanley Smith Barney has normalized these ratings so that 1 corresponds to Buy recommendations, 2 corresponds to Not-Rated and Hold recommendations, and 3 corresponds to Sell recommendations. Please refer to a Morgan Stanley research report for a complete description of Morgan Stanley's rating system and Morgan Stanley's actual proprietary rating on any covered company. Morgan Stanley's ratings are described below:

MSRB NORMALIZED CODE / MORGAN STANLEY RATING: DEFINITION

- 1 / Overweight (O):** The stock's total return is expected to exceed the average total return of the analyst's industry (or industry teams) coverage universe, on a risk-adjusted basis, over the next 12-18 months
- 2 / Equal-weight (E):** The stock's total return is expected to be in line with the average total return of the analyst's industry (or industry teams) coverage universe, on a risk-adjusted basis, over the next 12-18 months
- 2 / Not-Rated (NR):** Currently the analyst does not

have adequate conviction about the stock's total return relative to the average total return of the analyst's industry (or industry teams) coverage universe, on a risk-adjusted basis, over the next 12-18 months

3 / Underweight (U): The stock's total return is expected to be below the average total return of the analyst's industry (or industry teams) coverage universe, on a risk-adjusted basis, over the next 12-18 months

NAV, NA or ** appearing for Morgan Stanley Research indicates that the ratings for this company are not available because of a Morgan Stanley policy.

CIRA - COMMON STOCK IN DEVELOPED MARKETS

STOCK RATINGS

Investment ratings are based upon CIRA's expectation of total return (forecast price appreciation plus dividend yield within the next 12 months) and risk rating

Developed Markets (US, UK, Europe, Japan, and Australia/New Zealand)

CODE / CIRA RATING: EXPECTED TOTAL RETURN

- 1 / BUY:** 10% or more for Low-Risk stocks, 15% or more for Medium-Risk stocks, 20% or more for High-Risk stocks, and 35% or more for Speculative stocks
- 2 / HOLD:** 0-10% for Low-Risk stocks, 0-15% for Medium-Risk stocks, 0-20% for High-Risk stocks, and 0-35% for Speculative Stocks
- 3 / SELL:** Negative total return

STOCK RISK

Takes into account price volatility and a select list of fundamental criteria.

CODE / CIRA RATING: DEFINITIONS

L / Low: High predictability of financial results and

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Morgan Stanley
Smith Barney

low volatility

M / Medium: Moderate predictability of financial results

H / High: Low predictability of financial results and high volatility

S / Speculative: Exceptionally low financial predictability, highest risk and volatility

CIRA - COMMON STOCK IN EMERGING MARKETS

STOCK RATINGS

Investment ratings are based upon CIRA's appreciation of total return (forecast price appreciation plus dividend yield within the next 12 months) and risk rating.

Emerging Markets (Asia Pacific, Emerging Europe/Middle East/Africa, and Latin America)

CODE / CIRA RATING: EXPECTED TOTAL RETURN

- 1 / BUY:** 15% or more for Low-Risk stocks, 20% or more for Medium-Risk stocks, 30% or more for High-Risk stocks, and 40% or more for Speculative stocks
- 2 / HOLD:** 5-15% for Low-Risk stocks, 10-20% for Medium-Risk stocks, 15-30% for High-Risk stocks, and 20-40% for Speculative stocks
- 3 / SELL:** 5% or less for Low-Risk stocks, 10% or less for Medium-Risk stocks, 15% for High-Risk stocks, and 20% or less for Speculative stocks

CIRA GUIDE TO INVESTMENT RATINGS - CLOSED END FUNDS

CLOSED-END FUND RATINGS

Investment ratings are a function of CIRA's expectation of the fund's total return relative to its peer group, and the ability to provide stable to rising dividends, where applicable.

CODE / CIRA RATING: EXPECTED TOTAL RETURN

1 / Outperform: Expected to outperform its peer group of closed-end funds, and/or the fund is expected to provide stable to rising dividends, where applicable

2 / In-Line: Expected to perform in line with its peer group of closed-end funds, and/or the fund is expected to provide stable dividends, where applicable

3 / Underperform: Expected to underperform its peer group of closed-end funds, and/or the fund is expected to provide a declining dividend, where applicable

CLOSED-END FUND RISK

Takes into account the quality and liquidity of the underlying securities, financial leverage and foreign currency exposure.

CODE / CIRA RATING: DEFINITIONS

L / Low: The fund invests in high quality, liquid securities with little to no financial leverage or foreign currency exposure

M / Medium: Overall, the fund invests in moderate to high quality, liquid securities with reasonable financial leverage and provides primarily United States Dollar currency exposure

H / High: The fund may invest in low quality, less-liquid securities, have exposure to foreign currencies and above average degrees of financial leverage

S / Speculative: The fund invests in low grade, illiquid and/or highly volatile securities, have exposure to foreign currency and may also use high degrees of financial leverage

STANDARD & POOR'S RESEARCH RATINGS

For ease of comparison, Morgan Stanley Smith Barney has normalized Standard & Poor's proprietary research ratings to a 1 (Buy), 2 (Hold), and 3 (Sell), which differs from Standard & Poor's rating system. Please refer to a Standard & Poor's research report for a complete description of Standard & Poor's rating system and Standard &

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CLIENT STATEMENT | For the Period September 1-30, 2010

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Research Ratings Definitions (CONTINUED)

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Poor's actual proprietary rating on any covered company. Standard & Poor's ratings are described below:

MSRB NORMALIZED CODE / STANDARD & POOR'S RATING: DEFINITION

1 / 5-STARS (Strong Buy): Total return is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis

1 / 4-STARS (Buy): Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis

2 / 3-STARS (Hold): Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis

3 / 2-STARS (Sell): Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price not anticipated to show a gain

3 / 1-STARS (Strong Sell): Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis

Relevant benchmarks: In North America the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are generally the S&P Europe 350 Index and the S&P Asia 50 Index.

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Morgan Stanley Smith Barney

Disclosure

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Account Valuation

These figures represent the approximate value of your account(s) on a settlement date basis and are computed by adding (1) the market value of all priced positions and (2) market values provided by pricing services and correspondent custodians for other positions, and by adding any credit or subtracting any debit to your closing cash, money market funds and/or deposit balance. Please note, this valuation may be adjusted for the net change in priced asset values for securities held or for the net change in money market balances during the settlement period. Your closing cash, money market fund and/or deposit balance represents the cash, money market funds and/or deposits and reflects the net month end balance. Global Currency Deposits are reflected in U.S. dollars as of the statement end date. The Annual Percentage Yield ("APY") for deposits represents the applicable rate in effect for your deposits at the statement ending date. This APY may be different than the APY that was in effect during the statement period. For current Bank Deposit or Money Market Fund yields, go to <http://www.morganstanleyindividual.com/AccountOptions/Assets/InvestmentFeatures>

Additional IRA Information

IRA contributions are subject to IRS eligibility rules and regulations. The "Max. Individual Contributions Allowed (by SSN)" reflects the annual limit on contributions that you as an individual can make to IRAs (Traditional, Roth, SEP, and SARSEP) under the Internal Revenue Code. The limit applies on a per person basis, not per account. The Contributions information included in this statement reflects contribution information for a particular account, without reference to any other IRA. You cannot make an individual contribution to a Traditional IRA for the year in which you attain age 70 1/2 or any later year. You should check with your tax advisor to verify how much you can contribute and whether or not the contribution will be tax

deductible.

The categorization of any amounts in this statement as Individual Deductible or Individual Non-Deductible is based upon information provided by you, and is included for your convenience. Please contact your Financial Advisor if this information is incorrect. The information included in this statement is not intended to constitute tax, legal or accounting advice.

Availability of Free Credit Balances and Financial Statements

Under the customer protection rules of the SEC [17 CFR 8240.15c3-2 & -3], Morgan Stanley Smith Barney may use free credit balances in your account which are payable to you on demand, in the ordinary course of its business. We provide summary Morgan Stanley Smith Barney and Morgan Stanley & Co. Incorporated financial statements to you semiannually; copies are also available on request, by mail.

Certain Assets Not Held At Morgan Stanley Smith Barney

You may purchase certain assets through Morgan Stanley Smith Barney that may be held at a financial institution other than Morgan Stanley Smith Barney. Assets not held at Morgan Stanley Smith Barney may not be covered by SIPC protection. We may include information about these assets on this statement, solely as a service to you and are not responsible for information (including valuation) derived from you or another external source. Generally, any financial institution that holds securities is responsible for providing taxable year-end reporting (1099s) and separate periodic statements, which may vary from our information due to different tax reporting periods. In the case of networked mutual funds, Morgan Stanley Smith Barney performs all year-end tax reporting (1099s). Under certain circumstances, such as IRA accounts, Morgan Stanley Smith Barney performs all tax reporting.

Errors and Inquiries

If you do not understand an entry on your statement or suspect an error was made, it is essential that you immediately contact the manager of the office servicing your account. Oral communications regarding any inaccuracy or discrepancy in this statement should be re-confirmed in writing to further protect your rights, including rights under the Securities Investor Protection Act (SIPA). Except as provided in your account documentation, we will consider your statement to be correct unless we receive a written inquiry from you about the suspected error within 10 calendar days from the day on which you received your statement. It is your responsibility to review your statement promptly and to seek immediate clarification about entries that you do not understand. Please see your account documentation for special rules regarding your rights and responsibilities with respect to erroneous electronic fund transfers, including a description of the transfers covered.

Gain and Loss Information

The gain and loss information is provided for informational purposes only, is not a substitute 1099 form (or any other appropriate tax form), and should not be used for tax preparation. Unrealized gain and loss values are estimates and should be independently verified. We recommend that you contact your tax advisor to determine the appropriate use of this information. Past performance does not guarantee future returns.

Gain and loss information is calculated based upon uniform standards and does not account for each individual client's particular circumstances such as the existence of hedging transactions or constructive sales. Although we make every effort to adjust the cost basis for securities' capital changes, we do not adjust the cost basis for all events. Contact your Financial Advisor for guidance on particular questions.

For accounts with Choice Select pricing, the commissions paid on your eligible equity and option

purchases and sales are applied to the Total Cost on a monthly basis.

With respect to estimated gains and losses for listed equity options, we have taken into account option premiums paid or received and, in respect to multiple purchases and/or sales, calculated cost using an average unit price for all like positions. From time to time, unrealized gain/loss and YTD realized gain/loss figures may change due to adjustments to cost basis which may also affect previously closed tax lots.

We are not responsible for any gain and loss information provided by you or another financial institution; you are responsible for ensuring the accuracy of such information. Whether provided by you, another financial institution or Morgan Stanley Smith Barney, it is your responsibility to ensure the accuracy of all of the Estimated Gain and Loss information.

For clients wishing to make versus purchase sales that information needs to be conveyed at the time of the sale. Unless you tell us otherwise, we use first in first out (FIFO) accounting.

Listed Options

Information with respect to commissions and other charges related to the execution of options transactions has been included in confirmations of such transactions previously furnished to you and such information will be made available to you promptly at your request.

Margin Interest Charges

Morgan Stanley Smith Barney calculates interest charges on margin loans as follows:
(1) Multiply the applicable margin interest rate by the daily close of business net settled debit balance.
(2) Divide by 360 (days).
Margin interest accrues daily throughout the month and is added to your debit balance at month-end. The month-end interest charge is the sum of the daily accrued interest calculations for the month. Morgan Stanley Smith Barney adds the accrued

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DISCLOSURE (CONTINUED)

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interest to your debit balance and starts a new calculation each time the applicable interest rate changes and at the close of every statement month. For current margin loan interest rates, please go to <http://www.morganstanleyindividual.com/customerservice/disclosures/#5>

Margin Privileges (not available for certain accounts such as IRAs or retirement accounts)

If you have margin privileges, you may borrow money from Morgan Stanley Smith Barney in exchange for pledging assets in your accounts as collateral for any outstanding margin loan. The amount you may borrow is based on the value of the eligible securities in your margin accounts. If a security has eligible shares the number of shares pledged as collateral will be indicated below the position.

Money Market Pricing

An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at \$1.00 per share, there can be no assurance that will occur and it is possible to lose money should the fund value per share fall. Moreover, in some circumstances money market funds may be forced to cease operations when the value of a fund drops below \$1.00 per share. In that event, the fund's holdings would be liquidated and distributed to the fund's shareholders. This liquidation process could take up to one month or more. During that time, these funds would not be available to you to support purchases, withdrawals, and if applicable, check writing or ATM debits from your account.

Notice Regarding Investment Advisor Research

Morgan Stanley Smith Barney's Investment Advisor Research department conducts research on various mutual funds and exchange-traded funds for clients holding those funds in certain investment advisory programs. If you have instead invested in any of these funds in another type of account, such as a

brokerage account, you will not receive the same research materials and status updates on the funds as we provide to investment advisory clients (including instructions on selling fund shares).

Pricing of Securities

The prices of securities displayed on this statement are derived from various sources and in some cases may be higher or lower than the price that you would actually receive in the market. Although we attempt to use reliable sources of information, we can offer no assurance as to its accuracy.

For securities listed on an exchange or trading continually in an active marketplace the price reflects the market quotations at the close of your statement period. The prices of securities not actively traded may not be available. These are indicated by N/A (not available). For securities that trade less frequently, we rely on outside pricing services and/or computerized pricing models, which cannot always give us actual market values. Some annuity values provided by outside sponsors are estimates. The amounts on this statement for limited partnerships are typically obtained from a third party or from the general partners unless we have obtained other information such as an independent appraisal. Since many partnership valuations are provided only annually, they do not always represent current values.

Furthermore some securities, such as limited partnerships and non-traded REITs are illiquid and have no public markets, so the amounts shown on this statement may not equal the amounts you would receive if you sold your investment. The value of mutual fund shares is determined by multiplying the net asset value (NAV) by the number of shares or units held, as reported to Morgan Stanley Smith Barney by the correspondent custodian. If we cannot obtain a price or estimate, N/A appears. Speak to your Financial Advisor to obtain current information concerning the prices on your statements.

Security Measures

This statement features several embedded security elements to safeguard its authenticity. One is a unique security mark--a blue rectangle printed in heat-sensitive ink on the back side of every page. When exposed to warmth, the blue rectangle will disappear, and then reappear.

SIPC Protection

Securities and cash held in your Morgan Stanley Smith Barney account(s) are protected by a combination of coverage provided by the Securities Investor Protection Corporation (SIPC), a non-profit organization created by an Act of Congress, and additional protection purchased from a private insurer by Morgan Stanley (the Excess Coverage). SIPC protects up to \$500,000 of each client's securities, of which up to \$100,000 may be uninvested cash. SIPC and Excess Coverage apply only to securities and cash in the exclusive possession and control of Morgan Stanley Smith Barney and do not protect against losses due to market fluctuations.

Detailed information is available upon request.

Special Considerations Regarding Structured Products

Structured Products are complex products and may be subject to special risks, which may include, but are not limited to: loss of initial investment; issuer credit risk and price volatility resulting from any actual or anticipated changes to issuer's and/or guarantor's credit ratings or credit spreads; limited or no appreciation and limits on participation in any appreciation of underlying asset(s); risks associated with the underlying reference asset(s); no periodic payments; call prior to maturity; early redemption fees for market linked deposits; lower interest rates and/or yield compared to conventional debt with comparable maturity; unique tax implications; limited or no secondary market; and conflicts of interest due to affiliation, compensation or other factors which could adversely affect market value or payout to

investors. In addition, investors should consider the concentration risk of owning the related security and their total exposure to any underlying asset.

Structured Products may not perform in a manner consistent with the statement product category where they appear and therefore may not satisfy portfolio asset allocation needs for that category. For more information about the risks specific to your Structured Products, you should contact your Financial Advisor.

Taxes

Under Federal Income Tax law, Morgan Stanley Smith Barney is required to report the gross proceeds of sales transactions (including entering into short sales) to you on Form 1099-B by February 15 of the year following the calendar year of the transaction. The information reported on your Form 1099-B for the calendar year should be exclusively relied upon for the purpose of filing your tax return for the year. Under U.S. Internal Revenue Service regulations, if you have not provided us with certification of either U.S. or foreign status on an appropriate Form W-9 or W-8, your accounts may be subject to either 28% back up withholding or 30% nonresident alien withholding, as applicable, on payments made to your accounts.

Total Income (This Year/This Period)

Total income as used in, the income summaries, represents dividends and/or interest on securities we receive on your behalf and credit to your account(s) during the calendar year. We report dividend distributions and taxable bond interest credited to your account to the Internal Revenue Service. The totals we report may differ from those indicated as "This Year" figures on the last statement for the calendar year. In the case of Real Estate Investment Trusts (REITs), Master Limited Partnerships, Regulated Investment Companies and Unit Investment Trusts, some sponsors may reclassify the distribution to a different tax type for year-end reporting (1099).

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**MorganStanley
SmithBarney**

Disclosure (CONTINUED)

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Transaction Dates and Transaction Conditions

All transactions list transaction date and settlement date. Transactions are included on this statement based on settlement date. In the case of unsettled trades, we list the trade based on trade date instead of the settlement date with a notation that the trade is unsettled. Unsettled trades will not be reflected in position and cash balances.

Upon written request, Morgan Stanley Smith Barney will furnish the date and time of a transaction and the name of the other party to a transaction.

Morgan Stanley Smith Barney and/or its affiliates may accept benefits that constitute payment for order flow. Details regarding these benefits and the source and amount of any other remuneration received or to be received by us in connection with any transaction will be furnished upon written request.

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